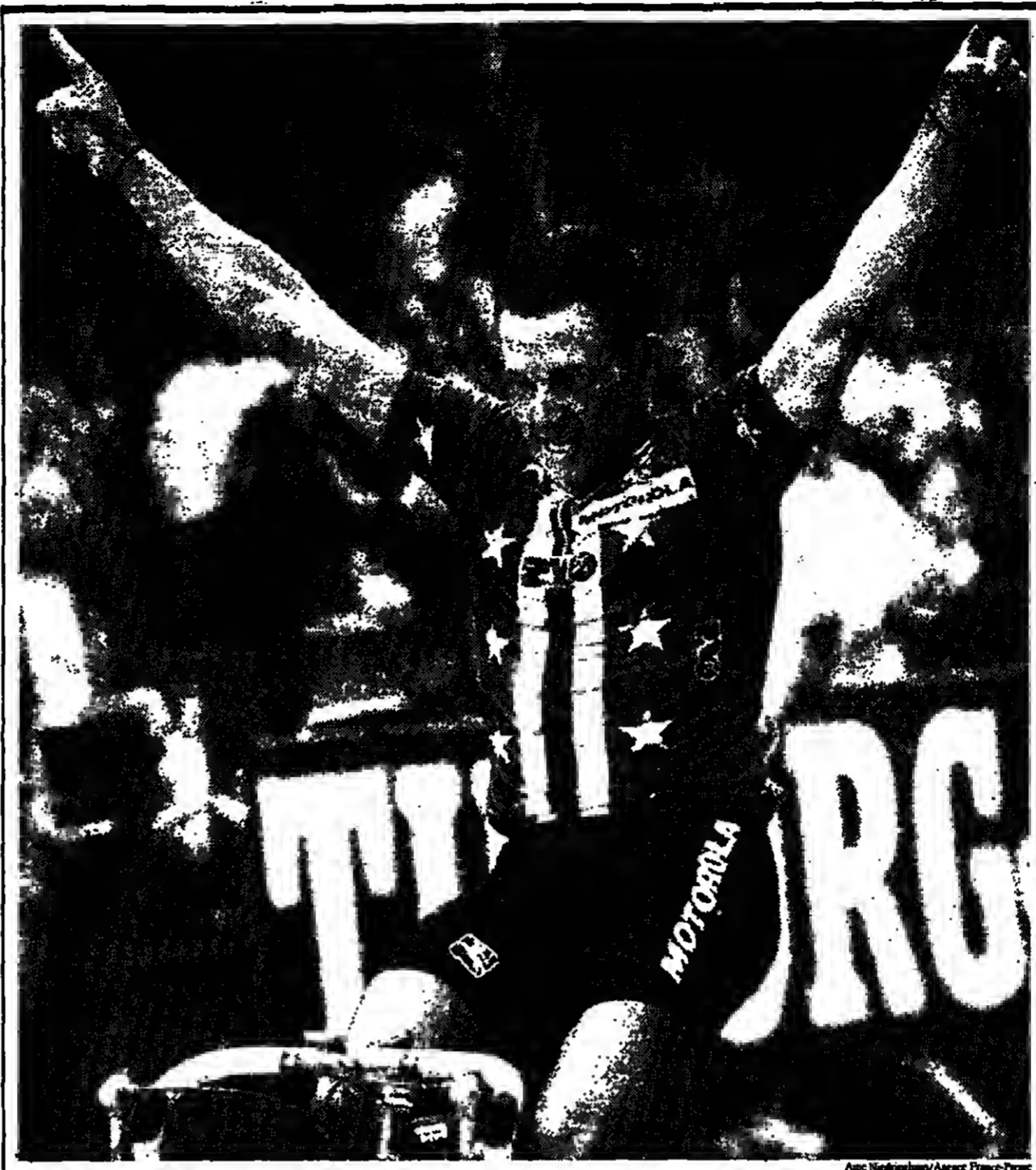


Table with subscription rates for various countries including U.S., Canada, Europe, and Japan.

A 'Made in Japan' Label Is Getting Harder to Find Soaring Yen and an Aging Work Force Drain the Industrial Powerhouse's Base

By Andrew Pollack
TOKYO — Sanritsu Electric, a small electronics company, got the bad news earlier this month. Its largest customer, Sanyo Electric, canceled its orders for Sanritsu's portable cassette players.



Lance Armstrong of the United States capturing the professional road race title at the World Cycling Championships in Oslo.

Armstrong, an American, Takes World Biking Title

Lance Armstrong, the rising American bicycle-racing star, dislikes being called the next Greg LeMond. "I'm not the second LeMond," Armstrong insists, referring to the American racer who has won the Tour de France three times. "I'm the first Lance."

Rabin to Offer Self-Rule Plan For Gaza Strip And Jericho

Announcement Follows Secret Negotiations With Top Level of PLO

By David Hoffman
JERUSALEM — Prime Minister Yitzhak Rabin will propose on Monday that the Israeli cabinet approve transferring authority for the Israeli-occupied Gaza Strip and the West Bank town of Jericho to the Palestinians as a first step toward self-rule, Israeli officials said Sunday.

Delors: A UN for Economy

Compiled by Our Staff From Dispatches
LORIENT, France — Jacques Delors, president of the EC Commission, called Sunday for the creation of an Economic Security Council to monitor the world economy.

Italy's Sinking Birthrate Upsets Myths and Presages Problems

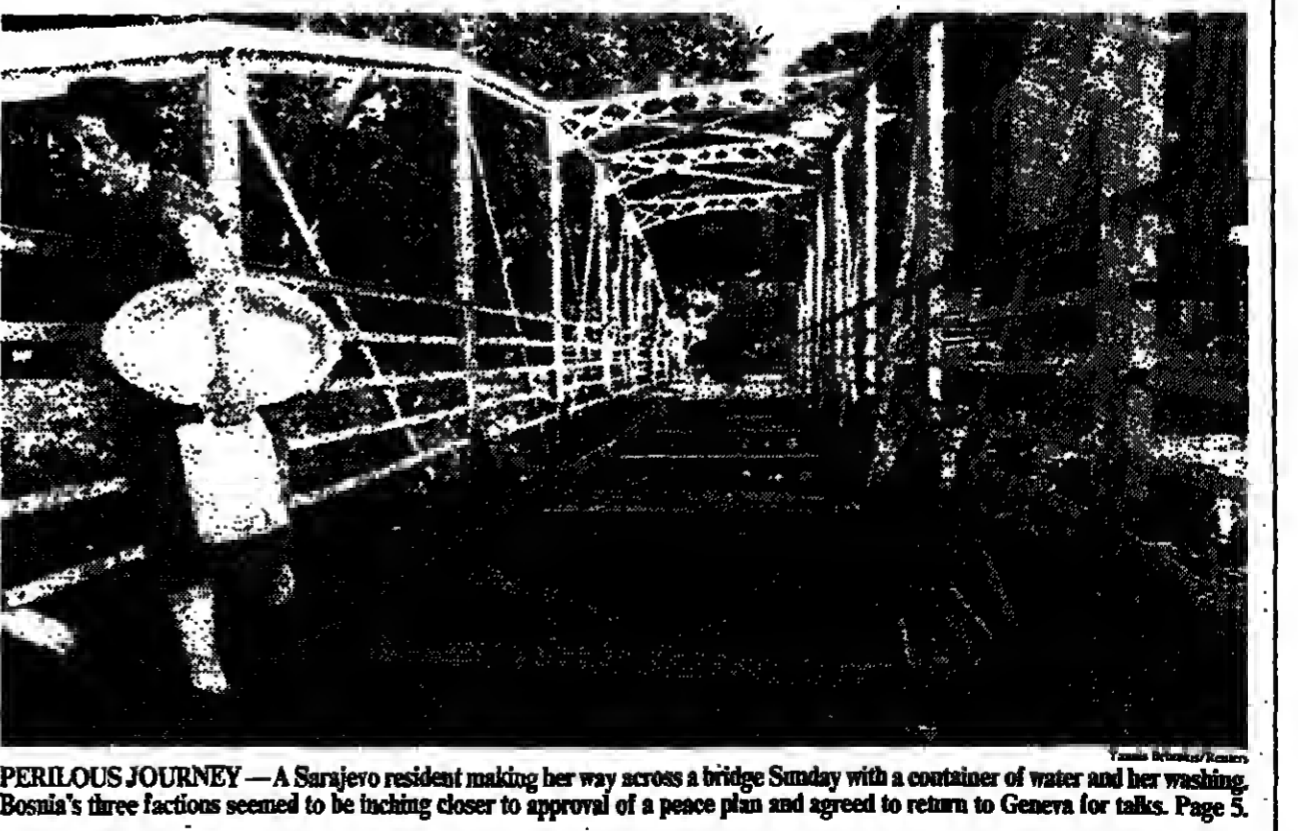
By Alan Cowell
ROME — Beyond its woes of bombs and corruption, strikes and recession, Italy is slowly coming to acknowledge a more insidious challenge that will remold society by the turn of the century, creating a land where the old outnumber the young and the big, close families of myth and tradition are gone forever.

Singapore Voters' Message

By Michael Richardson
SINGAPORE — Ong Teng Cheong, the government's preferred candidate, has won Singapore's first presidential election, but substantial support for his relatively unknown opponent showed many voters wary of bestowing too much power to the party that has run the country for 34 years.

Kiosk

Burst Dam Wipes Out Villages in West China
A burst dam in China's remote west has wiped out several villages and claimed at least 223 lives, police and hospital officials confirmed Sunday. The dam is in an impoverished region of nomadic herders and farmers living on high plateaus.



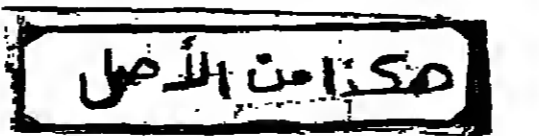
PERILOUS JOURNEY — A Sarajevo resident making her way across a bridge Sunday with a container of water and her washing. Bosnia's three factions seemed to be inching closer to approval of a peace plan and agreed to return to Geneva for talks. Page 5.

A Network of Neo-Nazis?

German Cites Signs of 'Action Alliances'
BONN — Neo-Nazi groups, which lack a nationwide organization, have begun to work together to try to form a united front, a senior security official said Sunday.

Vendor's Slice of Moscow Free Enterprise Has Its Price

By Margaret Shapiro
MOSCOW — From his perch behind the window of a sidewalk kiosk near Red Square, Andrei has a front-row seat for viewing Russia's transformation to capitalism in all its tawdry splendor.



STATESIDE / DIMINISHING SECRECY

CIA to Release Bay of Pigs and Other Cold War Files

By Tim Weiner
New York Times Service

WASHINGTON — The CIA has decided to make public thousands of files on its most politically charged Cold War operations, including the 1961 Bay of Pigs invasion of Cuba, the overthrow of the president of Guatemala in 1954 and the 1953 coup in Iran, government officials said.

Also to be released in the coming year are agency analyses of the Soviet Union from 1950 to 1983. Among them will be the annual report called the Soviet estimate, considered the most important product of U.S. intelligence in that period, giving the agency's opinion of the status and future direction of Moscow's military programs.

In 1953, a covert action in Iran, Operation Ajax, overthrew Prime Minister Mohammad Mossadegh and restored Shah Mohammed Reza Pahlavi to the throne, ensuring Western access to Iranian oil for the next 25 years. The Shah's regime grew increasingly repressive and was overthrown in 1979 by the radical anti-American followers of Ayatollah Ruhollah Khomeini.

In 1954, Operation Success overthrew President Jacobo Arbenz Guzman of Guatemala with psychological warfare, economic pressure and soldiers trained and armed by the CIA. Mr. Arbenz had been democratically elected and never sought Soviet support. But he confiscated some of the landholdings of the United Fruit Co. with the idea of transferring the land to peasants. The coup was followed by nearly four decades of military rule in Guatemala, until this year.

President John F. Kennedy called off air support for the mission while it was in progress. The CIA later made unsuccessful efforts to assassinate Mr. Castro.

POLITICAL NOTES

Health-Care ID Card Has Ethicists Up In Arms

WASHINGTON — Government officials plan to create an identity card for use in a national health-care system, but critics say the card could become a sort of internal passport making easier invasions of privacy.

Acting Army Secretary Caught Shoplifting

WASHINGTON — The acting secretary of the army has been accused of shoplifting a woman's skirt and matching blouse from the Fort Myer Post Exchange in Arlington, Virginia, authorities said.

Quote/Unquote

Senator Nancy Landon Kassebaum, Republican of Kansas: "As summer ends, two things are certain: Children all over America are going back to school, and Congress will soon reconvene. Sometimes it's hard to tell which of these events inspires the most dread." (AP)

Federal Downsizers Rush to Meet Deadline

By Ann Devroy and Stephen Barr
Washington Post Service

WASHINGTON — The Clinton administration has hit crunch time on its extensive proposal to "reinvent government," with chapters of a 159-page report being reviewed by congressional leaders and internal groups, then frantically being rewritten to reflect new decisions.

The proposal designed to make the government work cheaper and better has been put together by 200 staff workers under the direction of Vice President Al Gore for a Sept. 7 White House debut that will open the legislative season.



'I HAVE A DREAM' — Attorney General Janet Reno and the Reverend Jesse L. Jackson amid a throng at the Washington march marking the 30th anniversary of Martin Luther King's speech. The crowd, including such civil-rights veterans as Rosa Parks and Coretta Scott King, was put at 75,000.

Singer's Aide Details Alleged Extortion Effort

Compiled by Our Staff From Dispatches
LOS ANGELES — A lawyer tried to obtain \$20 million from Michael Jackson to buy a child's silence on sexual abuse accusations, the entertainer's private investigator said in a published interview on Sunday.

of a failed attempt to blackmail the entertainer for millions of dollars. The entertainer and his entourage arrived in Singapore on Saturday for his next round of concerts. He was joined Sunday by the actress Elizabeth Taylor, a longtime friend, who flew to Asia to lend support.

AMERICAN TOPICS

New York Subway's Punster Reaches the End of the Line

The New York subway's favorite conductor, who adds outrageous puns to station announcements, has reached the end of the line. At 64, Harry Nugent is retiring after 20 years underground. But he may find a larger audience. The New York Times reports. Several publishers have approached him about writing his memoirs.

About People

A former U.S. Marine, Lewis B. Puller, has returned to Vietnam for the first time since he stepped on a land mine in 1968. It tore away his legs and parts of both hands. Son of General Lewis (Cherry) Puller, the most decorated Marine in U.S. history, Mr. Puller won a Pulitzer Prize in 1992 for his autobiography, "Fortunate Son." He is now a lawyer for the Defense Department. At a hospital near Hanoi, he met with disabled Vietnamese veterans. He is in Vietnam as a director of the Vietnam Memorial Association, an American nonprofit group that promotes reconciliation between the United States and Vietnam.

Short Takes

More and more farmers are using cellular phones to keep in touch with the world from their tractors and pickup trucks. It saves the long trek in from the fields, far one thing. A spokeswoman for CommNet 2000 of Englewood, Colorado, said about 25 percent of her company's customers were farmers. "I would say the highest users are not behind a desk," she said. "They're in small business — agriculture, construction, sales. It is an enormous

mainstream utility. It's not just Joe Yuppie stockbroker making calls from a restaurant.

Seventeen states now deny driving, professional, fishing and hunting licenses to divorced men who are behind in their child-support payments. In Maine, 18,000 "deadbeat dads" owing a total of \$150 million were mailed warnings this week from the state Department of Human Services. Licenses to drive, fish, practice law, work as a beautician or in a number of other state-licensed fields are at risk.

A new titanium baseball bat promises at least 5 percent more power than standard bats. A spokesman for the manufacturer, Easton Sports Inc. of Burlington, California, said, "The bat is for the Sharper Image kind of people who want the absolute best there is." And who can afford it: the suggested retail price is \$400, many times that of wood- or aluminum bats.

From the Abigail van Buren advice column: DEAR ABBY: I am a widow who recently married a widower. He keeps talking about his first wife. What should I do? —HAD IT. DEAR HAD IT: Keep talking about your next husband. Arthur Higbee

Pepper Spices a Grizzly Feud Alaska's Bear-Stopper Spray Gets Stopped

By Mary Jordan
Washington Post Service

ANCHORAGE, Alaska — Big brown bears thunder through the deep woods, closing in on a remote site where campers wait, ready to squirt them. PITTER. A shot of cayenne pepper to the snout stops a 700-pound marauder in his furry tracks. And then he is gone.

In Alaska, people swear that this happens. So when the Environmental Protection Agency began messing with BearGuard and other pepper sprays, the Bear Affair began. It has led to calls to Washington from angry Alaskans, a trade on the U.S. Senate floor and disputes at the Canadian border.

"This may seem like a funny story," Senator Frank H. Murkowski, Republican of Alaska, said in the Senate chamber as he told how the "long arm of the EPA had reached into the area of bear repellent."

Using words such as "insane" and "mindless," he described the federal decree that had caused the popular spray to be yanked off shelves. Cayenne pepper spray must not be advertised as an animal repellent, protection agency officials said, because it has not been registered as a pesticide or tested for effectiveness.

But, because the agency does not have jurisdiction over what is sprayed on humans, BearGuard can be repackaged, renamed and sold as a defense against human attackers, as is Mace.

"It seems rather ridiculous that you can use it on people but you can't use it on bears," said Allen Richmond, natural resources planner at Elmendorf Air Force Base north of Anchorage.

At any given time, a dozen bears wander around the base, sometimes opening sliding doors in search of dinner, and for three years Mr. Richmond has studied how to discourage them. Rubber bullets and loud noise bring some success, and cayenne pepper spray has been effective, particularly at distances of 10 feet or less, Mr. Richmond said.

"The black bears don't like it at all," he explained. "They sit back on their haunches and try to get it out of their eyes and sinuses." Of course, if the wind shifts, the user can get the dose, and Mr. Richmond has found himself coughing wildly, his eyes tearing.

He says he carries the spray because he does not like using a gun. Pepper and guns are the primary defenses against bears, one for every six people.

In recent years, state officials said, more bear incidents and maulings have been reported than in the

previous two decades combined. Last year, bears ate a visitor from Washington state and an Alaska boy, 6, and several bears once wandered into downtown Anchorage, where half of the state's population is concentrated. One was spotted at rush hour at M Street and 10th Avenue. Several days ago, a bear had to be tranquilized after it romped around Anchorage International Airport.

There are so many bears, and so many stories about them, that people here talk about bears like people in the nation's capital talk about Democrats.

"Bears are kind of our trademark," said Becky Doughty, a saleswoman in Grizzly Gifts. Her shop sells bear jewelry, bear calendars, bear videos.

Ta Lyn Frandsen, who works for the protection agency's Region X, this hallelujah has got out of hand.

He said there was no scientific proof that the \$40 pepper stopped a charging bear. "We needed efficacy data," he said. "Some people had shot the heads off charging bears and they still keep coming." So agency officials are concerned that inexperienced tourists might have a false sense of security.

Those familiar with the Federal Insecticide, Fungicide and Rodenticide Act are aware that cayenne pepper, the kind used in Uncle Pepe's Triple-Hot Smokin' Gumbo, falls into the pesticide category when used on animals.

"The EPA admits that the spray is probably safe to eat, if not smell," Senator Murkowski said. "It seems like you can use it on a dead bear, you can use it on bear stew, but you cannot use it on a live bear if the bear is after you."

He suggested that bureaucrats in Washington might be trying to force Alaskans to have to "throw a pot of spicy chili" on advancing bears.

It only makes matters worse that Canada takes the opposite regulatory approach. If the aerosol pepper is labeled as a generic self-defense spray, it cannot be brought into Canada. So travelers with cans of pepper labeled for use in "personal defense" to skirt the U.S. law, have been stripped of the cans at the border.

In June, word filtered down through the U.S. agency that the Bear Affair had grown too unwieldy and that the agency should give manufacturers a one-year reprieve as they sought to test and register the repellents. Mr. Frandsen said the order was to "focus on higher priorities."

But shop owners who had to take BearGuard off their shelves know that the federal bureaucracy will be back in a few months.

Away From Politics

- The Justice Department will appeal the two-and-a-half-year prison sentences imposed on two Los Angeles police officers who were convicted on civil-rights charges in connection with the beating of Rodney G. King. The sentences had been criticized by some legal observers as too lenient.
- The reputed leader of a gang in New York's Chinatown that smuggles illegal Chinese immigrants has been arrested in Hong Kong. The suspect, Guo Liang Chi, is believed to have organized the voyage of a ship carrying hundreds of illegal immigrants that ran aground near New York Harbor in June.
- Transistors from the same lot that may have crippled the Mars Observer spacecraft also broke down aboard two U.S. weather satellites and were pulled from two military satellites, according to National Aeronautics and Space Administration officials.
- NASA received some good news when its Galileo spacecraft made the second ever fly-by of an asteroid. A NASA spokesman said "everything has worked just fine" aboard the Jupiter-bound spacecraft, which took photographs of the asteroid.
- A hurricane in the Atlantic took a turn to the northwest, leaving it on a track that would miss southern Florida but hit South Carolina. LAT, AP, NYT, Reuters

On October 18th, the IHT will publish an Advertising Section on

HOME ENTERTAINMENT

- Among the topics to be covered are:
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 - Electronic books — a fast-growing industry.
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 - The worldwide battle to create an HDTV standard.

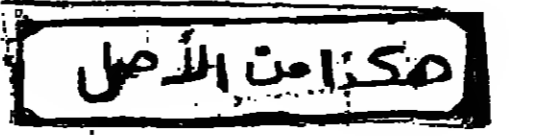
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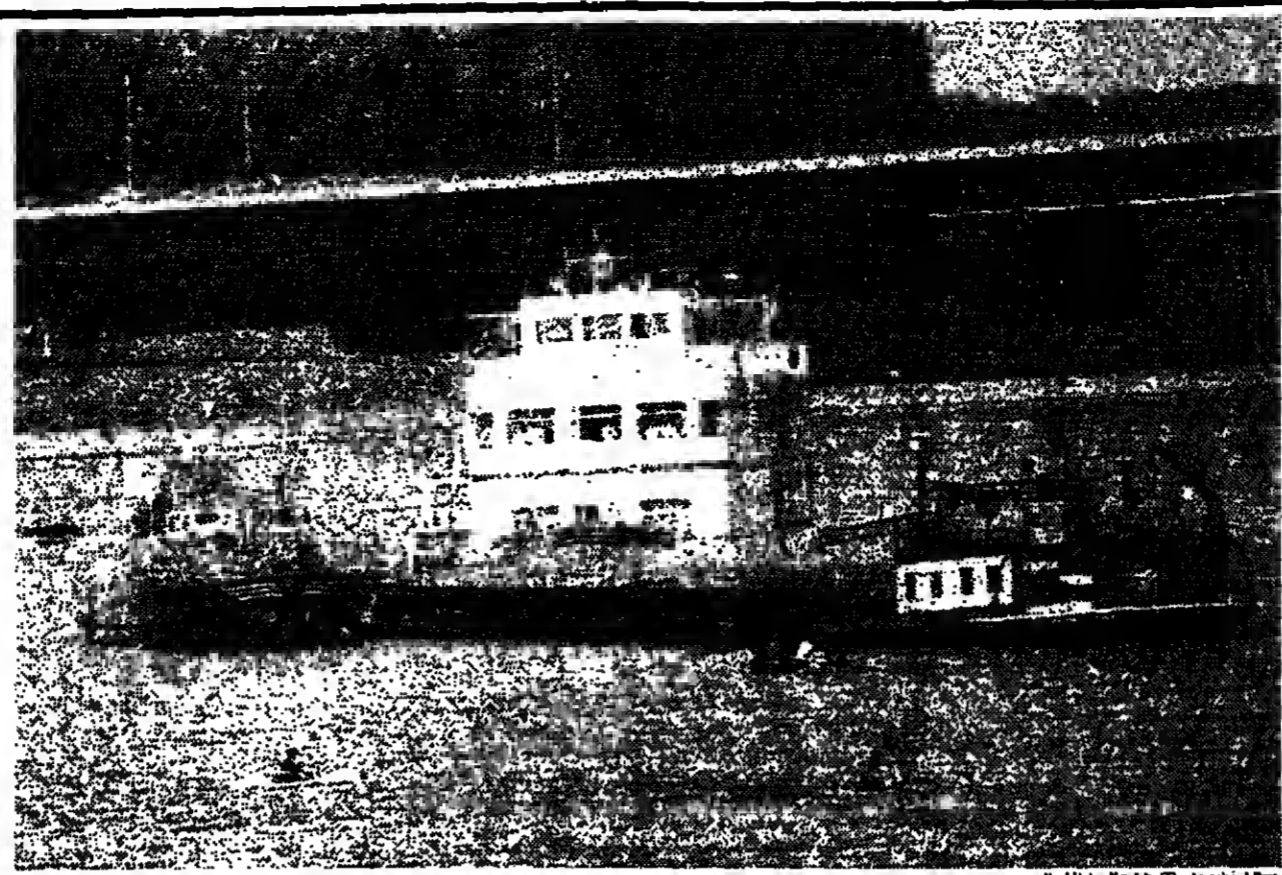
Monday MONDAY SPORTS	Wednesday STAGE ENTERTAINMENT	Friday LEISURE	POLITICS AND ECONOMICS	THE ARTS AND SCIENCE	BOOKS AND TRAVEL	A LIVELY ARRAY OF COMICS
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JOB: Japanese Produce Abroad

Continued from Page 1
nies, like Uniden, the cordless telephone maker, that do all their manufacturing outside Japan.
But with the yen appreciating 15 percent this year against the dollar, to a level approaching 100 to \$1, the pace of offshore expansion appears to be accelerating.



RHINE COLLISION — A barge, right, and the Dutch cruise ship Rijnhaven, center, being assisted by a firefighting vessel after the two boats collided Sunday in thick fog on the Rhine River near Düsseldorf. Ten elderly passengers on the cruiser were injured.

In Haiti, Sanctions Worked for Once

By Thomas W. Lippman
Washington Post Service
WASHINGTON — The selection of a new prime minister for Haiti and the agreement on the restoration of legitimate government there represents a rare development in recent diplomatic history: Economic sanctions worked.

NEWS ANALYSIS

hardly ever had the direct, swift and apparently effective impact they had on Haiti, according to economic and diplomatic analysts.
Less than three months elapsed between the United Nations Security Council vote to impose an oil embargo and trade restrictions on the military regime of Lieutenant General Raoul Cedras and Friday's unanimous decision to suspend the sanctions because General Cedras has agreed to resign and let the elected president, the Reverend Jean-Bertrand Aristide, return to office.

FRONT: Neo-Nazis Are Uniting

Continued from Page 1
memory of the 1987 prison suicide of Rudolf Hess, Hitler's wartime deputy. The Nazis marchers were able to elude the police.
This past weekend, the police broke up a neo-Nazi rally at Schönluch in the southwestern state of Baden-Württemberg, detaining 36 people and confiscating sticks, knives, swastika banners and rightist song sheets, officials said.

Germany Fights Rightists, to Little Avail

By Rick Atkinson
Washington Post Service
HOYERSWERDA, Germany — When three Greek men made the mistake of venturing outside the train station here shortly after 4 P.M. on Aug. 11, the consequences seemed all too familiar in a town already notorious for xenophobic violence.
It was in this unpreppy coal mining center in September 1991 that skinhead thugs — encouraged by a jeering mob — began a weeklong assault on two apartment buildings full of foreigners. That episode marked the beginning of a surge in rightist extremism that continues without respite throughout Germany.

Kohl Upset Over French Leak

International Herald Tribune
PARIS — Chancellor Helmut Kohl of Germany has complained to President François Mitterrand about the publication of conversations between the two leaders in a book by Jacques Attali that distorted the chancellor's views on the United States, according to a German political science professor.
Professor Tilo Schabert of the University of Erlangen-Nürnberg said in an article in the Aug. 28 edition of a newsmagazine, Le Point, that a Kohl aide had told

Lithuania Braces for Papal Visit

The Associated Press
MOSCOW — Lithuania has stepped up security ahead of a visit by Pope John Paul II, including denying visas to travelers from Muslim countries, a news agency reported Sunday.
The Interfax news agency said Lithuania started a program two weeks ago for spotting undesirable aliens who might cause trouble during the Pope's trip.

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Advertisement for International Recruitment, listing various job positions and companies. Includes sections for 'POSITION/LOCATION', 'COMPANY', and 'RECRUITMENT'. Lists roles such as 'GROUP-OPERATIONAL CONTROLLER/San Francisco', 'DISTRIBUTORS/Worldwide', and 'REPORTER-EDITOR/London'.

After Russian Flap, Clinton Will Clarify Peacekeeping Role

By Steven Erlanger
New York Times Service

MOSCOW — President Bill Clinton is expected soon to approve a presidential directive that would set out the U.S. policy toward peacekeeping in the former Soviet Union, which is beset by ethnic and nationalist strife.

But this attempt by the United States to clarify its role in keeping the peace in the post-Cold War world has had unintended consequences, prompting an angry reaction among Russians opposed to President Boris Yeltsin.

The reaction, which has included heated speculation about U.S. strategic aims to keep Russia "on its knees," has embarrassed pro-American officials in the Russian Foreign Ministry and raised hackles in the Russian military.

The episode is being used by anti-Yeltsin forces in the growing struggle between his government and the parliament.

In some very predictable ways, this American effort to help Yeltsin has backfired, a senior Western diplomat said. "Of course, the conservatives can't tell Russians what their national interests are."

The dispute stems from a draft U.S. document, Presidential Decision Directive 13, an effort to define how the United Nations and other international organizations might function in the Soviet Union and what role America should play. It includes, for example, the prospect of regular participation by U.S. forces under foreign command in UN peacekeeping efforts.

But it also includes a section on the former Soviet Union and the variety of ethnic or regional conflicts that beset Russia's periphery. Press leaks of various drafts of the directive have led to considerable confusion about U.S. aims, say se-

nior American officials, who admit that their own efforts to explain a new policy have been wanting or even inept.

They say they have also done a poor job of explaining the creation of a new post of coordinator of regional affairs in the State Department's Office of Newly Independent States under Ambassador-at-Large Strobe Talbott. It will be filled this fall by James Collins, deputy chief of the Moscow embassy.

The press reports have put together the new policy document and Mr. Collins's new job, which a senior U.S. official insisted are not connected.

The reports, which were picked up in the Russian press, concentrated on the idea that Washington, through Mr. Collins, would try to mediate disputes between Russia and these newly independent states out of a fear that Mr. Yeltsin's government might be undermined by rampant nationalism or a resurgent Russian military.

Senior U.S. officials in Moscow and in Washington now say that these news reports were misleading or untrue, at least according to the current draft of Directive 13. In summary, they describe current policy this way:

• The United States does not seek to intercede in or formally mediate conflicts in the former Soviet Union. But Washington is ready to help diplomatically if all parties to a conflict desire help.

• The United States will not act on its own but will concentrate on cooperation in forums like the United Nations and the Council for Security and Cooperation in Europe.

• The United States has no intention of getting involved in conflicts within the Russian Federation or intervening in domestic Russian politics.

• The United States will not make aid conditional on its judgment of Russian policy and behavior toward other newly independent states.

As for Mr. Collins, the officials say his new job emerged from a debate about how Washington could do a less haphazard job of "policy-making and backstopping" on the various conflicts in the former Soviet Union.

His function, they say, is to cope with requests for aid and information from Russia and other regional states and to coordinate intelligent policy responses within the unwieldy U.S. bureaucracy. He will also work to coordinate U.S. positions on these regional conflicts within multilateral forums.

But his job is not to "intervene" in conflicts or to "mediate" them, they said.



REMEMBERING THE DEAD — A boy kissing the gravestone of his father Sunday in the Muslim sector of Mostar, Bosnia-Herzegovina. Civilian and humanitarian aid workers have been allowed to leave the city, but 53 UN peacekeepers remained trapped.

KIOSKS: Paying the High Price of Free Enterprise on a Moscow Street

Continued from Page 1
them to try on clothes or buy liquor. In Moscow, some stretches of street are so thick with kiosks that the pedestrian cannot see the street behind them.

Andre's kiosk is in the coveted downtown area, but in a quieter spot. He found this place last fall through a relative who handles property issues for a non-crumbing government agency.

To make ends meet, the agency leases some of its land and buildings. For his help, Andre and his partner provide this relative with a comfortable "pension," Andre said, as "a sign of respect."

To start his business, Andre needed to get a host of city officials — fire fighters, electricians, architects — to sign his permit request. A recent newspaper article said that most people paid for these signatures. Andre said that in his case, liquor or a box of candy sufficed for everyone except the architect.

"Theoretically he has no concerns except an ascertainness among women who, by going out to work, do not want to lose it."

For 10,000 rubles a month (about \$10) Andre and his partner obtained an official license to sell nonfood products in the kiosk. Andre in fact sells almost nothing but food and drinks, but a food-and-drink license costs much more and must be approved by city health inspectors.

To get the kiosk itself, the two went to a former Soviet military-supply factory that now makes kiosks and offered to provide the head electrician with about 750,000 rubles' worth of scarce electrical equipment. A deal was struck for equipment obtained from the government agency where Andre's relative works.

When a date was set for delivery of the kiosk, Andre and his partner took care of a key business matter: making peace with the "protection" racketeers who have carved Moscow up into fiefdoms and who punish those who resist.

"The protectors need to know whether it is a store or a kiosk and then they tell you the price," Andre said. For them, it was 25,000 rubles a month at first, but now it is twice that.

ITALY: Sinking Birthrate Poses New Social Woes and Upsets Stereotypes

Continued from Page 1
ble in the long term without a profound and traumatic change in the rules" covering social services.

But why the flight from large families? Some have suggested that, like laboratory specimens, Italians have responded to their ever more crowded suburbs and cramped apartment houses by curbing procreation. Fabrizio Meachini, a medical specialist at the University of Pisa, says the stresses of modern society have created widespread male and female infertility.

Many more, though, see the reduction of family sizes as a result of an assertiveness among women who, having tasted independence by going out to work, do not want to lose it.

By this account, the men — who once equated procreation with virility, but now prefer cash in their pocket to children in the crib — have simply gone along.

What it boils down to, said Franca Fossati, editor of a feminist magazine called *Noi Donne* — "We Women" — is that "the women have changed very quickly" after the expansion of schooling and urbanization in the postwar era that enabled many of them to work, while "the men haven't" in certain ways.

"So there's very little division of domestic work between men and women," she said. "Working as well as looking after the house makes it virtually impossible to have a family. Having few children is a form of female self-defense."

Not only that, said Angelica Alexander, a 33-year-old married schoolteacher who waited 10 years to have her first child six months ago, much has changed.

"There's less family support," Mrs. Alexander said in an interview, noting that, where child-tending was once shared between generations, these days grandmothers work too, family bonds are looser.

"The houses are smaller," she said, "and there's no one else to look after the children."

As a child, she said, she had her own playground. Now, although her husband is a highly qualified com-

puter specialist, rentals and house prices are so high that they live in a small apartment in Rome that does not offer her son his own bedroom.

While Italy's postwar prosperity had played a part in her calculations about having a child, she said, her Catholic upbringing had not.

In Italy, 97 percent of the population are baptized Catholics and thus exhorting by the clergy to es-

chew artificial birth control, which many priests privately recognize as futile. Not only is birth control easily available, but Italy has had legalized abortion since 1978.

"Not many of our friends worry about the church," Mrs. Alexander said. "They get married in church and have their children baptized in church, but it's out of tradition, not belief."

3 Bosnian Factions Will Keep Talking On Peace Proposal

By David B. Ottaway
Washington Post Service

SARAJEVO — Bosnia's three warring factions gave varying degrees of implicit or explicit approval over the weekend in the latest peace plan for ending their 17-month civil war and agreed to return in Geneva on Monday for what could be a final round of negotiations.

Only the Bosnian Serb parliament, meeting in nearby Pale, gave an unqualified endorsement of the plan, which would require Serbian forces to withdraw from 20 percent of the land they now hold. Later, however, the Bosnian Serb foreign minister, Aleksa Buha, suggested that the lifting of United Nations sanctions on Serbia should be a precondition for Serbian acceptance of the plan.

But both the Muslim-led Bosnian government and the Croatian faction took steps or made declarations indicating that they, too, were inching toward at least a qualified acceptance of the peace plan.

After two days of debate in Sarajevo, the mainly Muslim Bosnian parliament approved the plan as "a basis for further negotiations" and accepted its underlying premise that Bosnia should be partitioned into three ethnically based republics bound within a weak union.

But Miro Lazovic, speaker of the parliament, said the Bosnian government delegation returning to the Geneva talks would seek specific guarantees that the new union would function effectively as a single state and that the United States and the North Atlantic Treaty Organization would take part in putting the peace plan into effect.

"We are asking both their political and military support," he said. Mr. Lazovic said he had been reassured by the U.S. ambassador, Victor Jackovich, who attended the session of parliament, that the United States stood ready to help carry out the plan.

He said the Bosnian delegation would also seek "corrections" in the proposed borders of the landlocked Muslim republic in central Bosnia and territorial access to the sea.

Meanwhile, Bosnian Croat representatives meeting in Grude in southwestern Bosnia on Saturday formally proclaimed their own republic of Herceg-Bosna and pledged to set up a government within 40 days.

But like the mainly Muslim parliament in Sarajevo, they also called for changes — "either by further talks or war" as the Croatian leader, Mate Boban, put it — in the proposed borders of the future Bosnian Croat republic.

On Aug. 20, the three Bosnian factions were given 10 days by the two international mediators, Lord Owen and Thorvald Stoltenberg, to approve a compromise peace plan that they had drawn up after three weeks of acrimonious negotiations among the three Bosnian factions.

The plan would give the Serbs, who constituted 34 percent of the prewar population, 52 percent of the country, while the Muslims, who previously constituted 44 percent, would have only 30 percent.

Only the Croats, who made up 17 percent of the prewar population, would get about the same percentage of territory for their republic.

The Muslim-led Bosnian government, although it has badly lost the war and now controls only about 10 percent of the country, has balked at accepting the plan because it would mark the formal end of a unitary, multiethnic Bosnian state and could lead to the country splitting asunder.

It fears that the new "union" would not be recognized by the United Nations as the legal successor to the present Republic of Bosnia-Herzegovina and that the new Serbian and Croatian republics would either seek international recognition on their own or become parts of neighboring Croatia and Serbia.

Reflecting the deep divisions within the mainly Muslim parliament was its failure to either clearly accept or reject the Owen-Stoltenberg plan. Mr. Lazovic was unable at a press conference Sunday to say whether his assembly had basically accepted or rejected the plan.

Muslim deputies said at a news briefing that the Bosnian government delegation would seek to obtain 35 percent of the country for a Muslim republic, instead of the 30 percent being offered it, as well as a corridor under Muslim control leading to the sea. Under the latest peace plan, the Muslims would have access to, but not control of, a Bosnian Croat road leading to the Croat port at Ploce.

The kind of resistance the Owen-Stoltenberg plan is likely to face in many areas across the country was made plain at the Croatian assembly in Goude, where representatives from the Posavina region south of the Sava River along the border with Croatia spoke out vehemently against it.

A Huge Mosque Opens in Morocco

The Associated Press

CASABLANCA, Morocco — Graced by the planet's tallest minaret, a laser pointing the way to Mecca, and a retractable roof, the world's second-largest mosque will open Monday.

King Hassan II will inaugurate the \$500 million mosque bearing his name in a broadcast ceremony reinforcing his role as leader of Morocco's 24 million Muslims.

The inauguration culminates a seven-year project to give this port city Africa's biggest, most luxurious mosque, rivaled in size only by the one at Mecca, Saudi Arabia.

BRIDGE

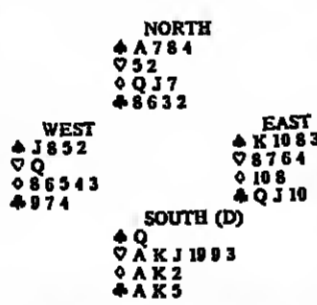
By Alan Truscott

THE heart combination shown in the diagram is familiar to experienced players. The right play is to finesse immediately if dummy has two entries, losing when West has a singleton queen but gaining when West has a small singleton, since the finesse can be repeated.

This deal is said to have been played in a match so long ago that anyone who believes the date probably also believes in witchcraft. At one table, playing in six hearts after a spade lead, South correctly worked out that playing low would give him two chances. West might have the spade king, and if he did not, the heart problem might be soluble.

East won the first trick with the spade king and shifted in the club queen. South won and cashed the

World, 39 West 94th Street, New York, N.Y. 10025.



Neither side was vulnerable. The bidding: South West North East 2♣ Pass 2♦ Pass 3♦ Pass 3♥ Pass 4♥ Pass. West led the spade two.

heart ace, intending to take one finesse, since dummy had only one entry. When the queen fell he claimed the slam, announcing that he would draw trumps and eventually throw his club loser on the spade ace.

In the replay, while South was thinking after the same lead, East played the spade king out of turn. This was a remarkable defection play: South now had no reason to play low. Instead he won in dummy and made the percentage play of finessing immediately in hearts, failing in the slam.

The Bridge World reports the sequel. "East's coup at trick one came to the attention of the authorities."

For a bargain collection of back copies of the magazine, and many more, delightful hands, send \$5 for 6, or \$10 for 13 in The Bridge

BOOKS

THE OXFORD BOOK OF MODERN FAIRY TALES

Edited by Alison Lurie. \$25. 455 pages. Oxford University Press.

Reviewed by Janet Maslin

THE princesses and other heroines who float (in one case, quite literally) through "The Oxford Book of Modern Fairy Tales" don't often live happily ever after.

Their lives tend to be more interesting than that. Consider the young woman in "The Porcelain Man," a delightful 1987 story by Richard Kennedy. When she is given some porcelain fragments by her over-protective father, she promptly glues them together into the shape of a life-size suitor.

Her father, enraged at finding the porcelain man kissing his daughter, shatters the porcelain all over again. And it is eventually reglued in a different configuration.

So later on, though the young woman is happily attached to a different mate, her dinner plate sometimes whispers, "I still love you." It's a tender ending, but not one that might have been expected.

Thanks to Alison Lurie's witty and enterprising story selection, there's not much about this anthology that does meet the usual expectations, not even Lurie's choice of contributing authors. (Kennedy is a former elementary-school teacher and woodcutter who "since 1974 has been the custodian of Oregon State University Marine Center," according to a biographical note.) She draws on writers from Nathaniel Hawthorne to Louise Erdrich, from Charles Dickens to Philip K. Dick, spanning a period from 1839 to 1989.

Having published three collections of traditional folk tales as well as "Don't Tell the Grown-Ups," her book of essays about children's literature, Lurie is ideally suited to the task at hand. She also brings an acerbic disapproval of today's "bowdlerized and prettified cartoon versions of the classic stories" and a sharp awareness that "some of these stories, which today would be considered too lengthy and difficult even for an adolescent reader, were more accessible before television reduced literacy and shortened attention spans."

In fact, not all of the stories here can easily be read to children, whether because of dense descriptions (John Ruskin's 1850 "The King of the Golden River") or experimental forms (Donald Barthelme's 1970 "The Glass Mountain," which presents itself as a list of 100 questions). But almost all of these tales have a fancifulness and humor that render them enjoyable to readers of any stripe. One rare exception is "The Courtship of Mr. Lyon," a 1979 story in which Angela Carter retells "Beauty and the Beast" in the ponderous terms of a romance novel. ("How strange he was. She found his bewildering difference from herself almost intolerable; its presence choked her.") Prettified cartoon versions notwithstanding, Disney did it better.

Among this book's particular delights is Tami Lee's "Prince Amilec," a 1972 tale in which a beautiful but nasty princess sets a series of impossible tasks for her suitors to perform. The prince of the title meets a nice, accommodating witch who is willing to help him with even the princess's most unreasonable demands, though the witch cannot

resist a caustic comment or two. Eventually, the witch asks the unthinkable: "Wouldn't it be simpler to forget all about it and go home?" Many of these tales have a sophistication that goes well beyond the norm of children's fiction. George MacDonald's 1864 "The Light Princess," originally published as part of a novel for adults, is the wry, lovely story of a gravity-defying heroine who drifts rapturously above the heads of her parents and their courtiers, and only barely attracts the attention of Mr. Right.

Later the prince discovers that immersing the princess in water is a means of bringing her back to earth. And she falls happily into a lake as if falling in love.

Since these stories present an increasingly modern view of the world, many of them are considerably less serene. The specter of physical abuse appears in many forms, including that which it takes in "Gertrude's Child," a 1940 story by Richard Hughes. In one of the frequent reversals that appear throughout this collection, a doll named Gertrude is allowed to buy

herself a toy child. She neglects the girl so terribly — leaving her in bath water, forgetting to bring her in from the cold — that Gertrude very nearly loses her playmate.

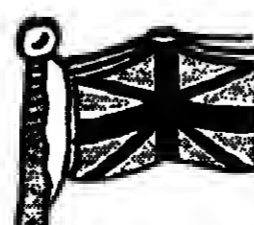
There are also wittier forms of cruelty to be found here, as in "The Queen of Quok" (1901) by L. Frank Baum, the author of the enchanting Oz books. When a 10-year-old boy inherits his father's threadbare throne, he is auctioned in an elderly woman who would like to marry a title. The king's counselor tells her: "You are not married yet. Wait until tomorrow, after the wedding takes place. Then you can abuse him as much as you wish. But at present we prefer to have people think this is a love match."

Still, "the slender old dame with the wrinkles" is eager to secure her prize. "And the sour-looking old woman paid the money in cash and on the spot," Baum wrote, "which proves this is a fairy story."

Janet Maslin is on the staff of The New York Times.

WHAT THEY'RE READING

• Rosemary Spencer, head of the British Embassy's Berlin office is reading "The Time of My Life," the autobiography of Denis Healey, a former British labor minister. "I find it a masterly contribution to contemporary British history by one of the key players. There are some marvelous insights into defense and foreign affairs." (Michael Kaltenbach, IHT)



US trade conflicts - with China - with Japan - with the EC

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Sweden	S.Kr. 45,000	25,000	14,000
Switzerland	S.F. 35,000	22,000	14,000
Sweden (normal)	S.Kr. 3,100	1,700	900
— hard delivery	S.Kr. 3,500	1,900	1,000
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INTERNATIONAL Herald Tribune

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Under the General's Thumb

It comes as no surprise that news of General Ibrahim Babangida's departure from the presidency has not produced unrestrained joy in the streets of Nigeria. While Nigerians may be relieved that he is finally gone from office, they know the general was only symbolic of the military's control over the country. His eight-year rule has ended, but Africa's most populous nation remains in the clutches of an unelected regime that wields power ultimately backed by force of arms. That is the reason Nigeria remains in crisis today.

Selling the Health Care Plan

All year long, the Clinton administration has gone back and forth in explaining how it would do battle for the health care program the president is expected to propose this fall. At times, administration officials have cast what is coming as the political fight of the century and warned that matters could get very personal; look out, say some Clintonians, for sharp personal attacks on Hillary Rodham Clinton and the health task force guru Ira Magaziner. At other times, especially recently, the administration has been the soul of bipartisanship, suggesting that the upcoming debate will be a chance for reasonable people to thrash out the best way to deal with a problem that everyone concedes is real.

In Northeast Asia, a U.S.-Japan Partnership — or Else

By Walter A. McDougall

PHILADELPHIA — President Bill Clinton's invective historian, the late Carol Quigley, used to pose this question to his class: "If you and I were locked in a room with a machine gun on one side and a million dollars on the other, which would you choose?" Often a naive student would choose the money.

They're Hustling in the Free Market of Khabarovsk

By Charles B. Neff

ANCHORAGE, Alaska — The Russian Far East (often mistakenly called Siberia) is largely unknown to us, for good reasons. It has been closed to the West, and even in large measures to Russians, for the past 60 years. We still tend to think of Vladivostok as a place at the end of the Trans-Siberian Railway, but it is also just across a narrow sea from Japan. Now, Alaska is only a 40-minute flight from Provideniya, Alaska, because of history and growing commercial and cultural ties, becomes closer to Russia every day.

For Whom Raoul Toiled

By Ernest Hemingway

"Did you read Beryl Markham's book, 'West With the Night'?" Ernest Hemingway wrote his editor, Maxwell Perkins. "I knew her fairly well in Africa and never would have suspected that she could and would put pen to paper except to write in her pilot's log book. As it is, she has written so well, and marvelously well, that I was completely ashamed of myself as a writer."

Time to Move the Bridge Into Place

By Daoud Kuttub and Danny Rubenstein

JERUSALEM — The slow-moving Middle East peace talks will resume Tuesday. For all the growing hopes for an interim agreement between Palestinians and Israelis about Palestinian self-rule, the major change that has occurred to date is the beginning of the normalization of relations between Israel and the Palestine Liberation Organization.

A Wall Against These Living Weapons

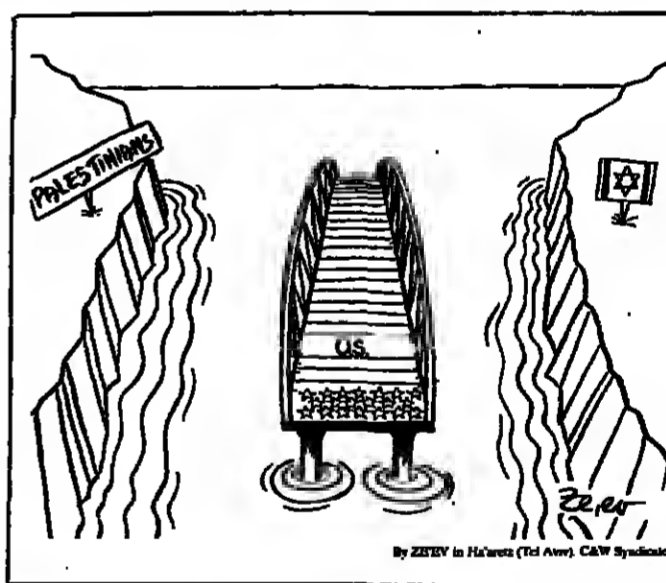
By Kevin Clements and Malcolm Dando

CANBERRA — There is confusion and discord about what should be done to reduce conflict in the post-Cold War world. But it is widely agreed that preventing the spread of weapons of mass destruction is of central importance in building a lasting peace. While public concern has focused on the dangers associated with proliferation of nuclear weapons, there has been little attention given to biological weapons of mass destruction.

Other Comment

Toward Mideast Peace: If there is any complaint regarding the acceptance by the Palestinian leadership of the Gaza-Jericho option first (which would leave questions over the rest of the West Bank and Jerusalem for later negotiations), it should be related to insufficient coordination with Jordan. The Gaza-Jericho proposal came at a time when steps regarding Jordanian-Palestinian coordination within the general framework of a confederation have started.

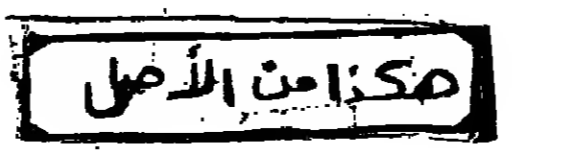
Advertisement for International Herald Tribune, listing staff members like Katharine Graham, Arthur Ochs Sulzberger, and Richard McLean.



Israel summit meeting, it should not fail to look ahead to the prospects of a similar meeting between Palestinians and Israelis. A U.S. dialogue with the PLO would enhance the possibility of a higher level Palestinian-Israeli meeting.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

- 1893: Holmes Turns 85: BEVERLY — Dr. Oliver Wendell Holmes yesterday (Aug. 29) entered upon his eighty-fifth year.
1943: Danes Scuttle Ships: STOCKHOLM — [From our New York edition:] Defiant Danish seamen have snatched most of their small fleet from Germany's grasp by scuttling it to neutral Sweden.
1918: A Charity Event: AIX-LES-BAINS, France — The gala soirée for the benefit of the Project to Save the Serbian Children given on Saturday (Aug. 24) was an artistic and society success.



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International Herald Tribune, Monday, August 30, 1993

CAPITAL MARKETS

European Fund Managers Look Out for Falling Yields

By David Gillen and Michael Dolan

LONDON — Many bond-fund managers say they are no longer banking on the Bundesbank to lead European interest rates lower. And they are putting the billions of dollars, marks, pounds and francs they control where their mouths are.

Other European central bankers, tired of tooting the German line on interest rates, may at last be ready to swallow their pride and ease credit independently to revive their ailing economies, fund managers said.

These high-powered investors are buying government bonds in countries like Spain and Italy, where European yields are highest, as well as in France and Denmark, because they think those countries may soon trim short-term rates even if the Bundesbank stands pat.

Investors believe Bundesbank shadowing is finally ending.

"The rest of Europe is going to lose patience with the Bundesbank, probably sooner rather than later," said Roy Adams, a fund manager at AXA-Equity & Law Investment Management Ltd. in London, which manages about \$5 billion (\$7.5 billion). His firm has been stepping up its purchases of French and Spanish bonds this month.

Yields fell across Europe this week even as the Bundesbank once more left its key discount rates unchanged.

Other European central banks stood idly by — again. Many European governments, particularly those in France, Belgium and Denmark, are still trying to shadow the Deutsche mark to save political face, after the restitute of Europe's exchange-rate mechanism four weeks ago.

"The Bundesbank sent the strongest of signals it intends to keep setting German monetary policy to suit its own domestic economic needs and that the rest of the Europe should do likewise," said Mark Austin, a treasury economist at Midland Global Markets in London. The Bundesbank's decision now "heaps pressures" on Denmark, Belgium and France to cut rates on their own, he said.

Ten-year French yields slid to 6.15 percent Friday from 6.32 percent the previous week and 6.43 percent on July 29, when the last ERM crisis erupted. Ten-year Italian yields slipped to 8.38 percent from 8.61 percent a week earlier and 9.77 percent late last month, while similar Spanish yields slid to about 9.15 percent from 9.38 percent a week earlier and 10.27 percent a month ago.

At Deutsche Gesellschaft für Wertpapiersparen in Frankfurt, fund managers have been hunting out those higher yields on Spanish and Italian bonds because sooner or later those countries, too, will throw in the towel on rates, said Heinz Fesser, international bond portfolio manager there.

"The decision was made to widen the bands of the ERM to give countries more room to cut rates independently from Germany,"

See RATES, Page 9

Carl Gewirtz is on vacation.

EC Partners, U.S. To Press Bonn to Support Trade Deal

By Tom Buerkle

BRUSSELS — Germany faces intense pressure from some of its EC partners and Washington this week to stop its flirtation over trade with Paris, and give clear support to an EC-U.S. farm pact and efforts to reach a global trade deal, European and American officials have said.

The European Community needs to resolve the showdown over trade in the next three weeks, in order to move on and end its year-long policy paralysis caused by doubts over the Maastricht treaty. Over the next two months, the Community needs to breathe credibility into its plan for economic and monetary union to move toward a single currency by the end of the decade.

How those challenges are met will go a long way to showing whether the 12 EC member states can deepen their integration and compete effectively in the world economy, or whether the differences will push the Community to turn inward-looking and protectionist. If the Community does opt for protectionism it would probably doom the prospects for a global deal to liberalize the General Agreement on Tariffs and Trade, under negotiation for seven years.

"There are so many things which need to be resolved," said Karel Lanoo of the Center for European Policy Studies in Brussels. "The Community, he added, is "like a coin that is rolling and can fall on one side or the other."

Karel van Miert, the EC competi-

See TRADE, Page 9

Honda in Challenger Role Remodeled Accord No Longer U.S. Leader

By Doron P. Levin

New York Times Service

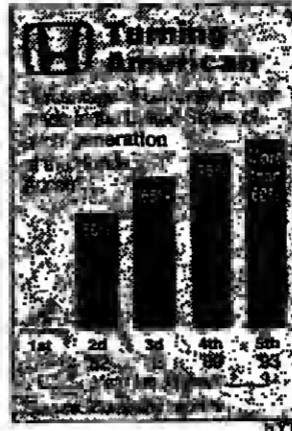
DETROIT — The first public demonstration of the new Honda Accord, the company's counter-punch after an earlier model was eclipsed in January by the Ford Taurus as best-selling car in the United States, is to take place Wednesday in Marysville, Ohio.

Even rivals concede that the Accord has been the benchmark against which family sedans are measured, raising this question: Can the Accord do it again?

Honda said its goal was not to surpass the Taurus in sales but to bring out an improved vehicle that will win acclaim from buyers. The current Accord was initially criticized for unimaginative styling and was ignored by some buyers because it offered only a four-cylinder engine, while the Taurus, Toyota Camry and others offered six cylinders.

Though the Accord will have an optional six-cylinder engine within a year, Honda is attempting to persuade buyers that its four-cylinder power plant is exemplary. It will underscore that assertion this year by offering, in some new four-cylinder Accords, a sophisticated fuel and exhaust-control technology called VTEC, which yields greater power while improving fuel economy. Those types of improvements have earned Honda a reputation as a leader in engine technology.

More significantly, though, the new Accord's reception by American car buyers may ultimately answer a larger question:



whether expanding automobile production in the United States and buying more parts from American suppliers, as Honda has done, can resolve disparities in pricing and value caused by a strong Japanese currency.

The rise of the yen, to about 104 to the dollar, from 245 yen in 1985, has forced Japanese car-makers to raise prices faster than American rivals. Toyota Motor Corp. said this week that it may suffer its first operating loss ever in the current fiscal year if the yen stays strong. Honda's profit is under pressure, too.

But to a greater degree than other Japanese automakers, Honda has built facilities in the United States and sought to buy parts from American suppliers, thereby holding down costs.

The new Accord will have more U.S. components than the

first three Accord models produced in Marysville. Perhaps because the model is less costly to build in terms of yen, Honda has been biding its time to hold down price increases, after it raised prices three times in the last year. That could help narrow its price gap with American models. Compared with 1989, when a \$15,905 Accord LX cost \$910 less than a similarly equipped Chevrolet Lumina, the \$18,780 Accord LX now costs \$1,413 more.

"Honda wouldn't be specific, but their people implied that the price of the new Accord would be close to the current model," said Jerry Paul, automotive analyst for Sanford C. Bernstein & Co. in New York, who attended a preview of the car two weeks ago with about a dozen Wall Street analysts.

Mr. Paul and several analysts who drove the Accord said they were impressed. They described a car a bit wider than the current model, roomier and quieter. The interior has been redesigned and improved, they said, with refinements like those offered in Honda's Acura luxury cars.

"I was pleasantly surprised," said John Casera, automotive analyst for Wertheim Schroder & Co. in New York. "The styling is very distinctive among Japanese entries, very muscular."

Analysts were also impressed by Honda's assertions that many of the Accord's parts were car-

See HONDA, Page 9

BAe Deal Interests Asians

Taipei Weighs Letting Koreans And Japanese In

Agence France-Press

TAIPEI — Japanese and South Korean companies are interested in participating in a plane-making venture between Taiwan Aerospace Corp. and British Aerospace PLC, Taiwan economic officials said over the weekend.

Economics Minister Chiang Pin-kung said his ministry had been approached by a Japanese and a South Korean company on Saturday, one day after Taiwan Aerospace and BAe agreed to plan an additional \$200 million each into the venture.

The officials said the Asian companies were interested in helping to develop RJX jets, an advanced version of the RJ regional jet now produced by BAe, or becoming one of the investors of the \$760 million joint venture, Avro Aerospace International Ltd.

The Economic Daily News reported that France's Dassault Aviation is also interested in the development of the RJX, but has yet to propose a detailed cooperation plan. The newspaper said four other U.S. and European companies had expressed interest in improving the engines of the current regional jet produced by BAe.

Taiwan Aerospace and BAe initiated a draft agreement in January to form a 50-50 venture to produce the RJ and develop the RJX beginning in 1994. The venture had stalled because of financial obstacles, which were cleared on Friday.

Taiwan Aerospace will send a delegation to London Sept. 6 to discuss unresolved issues, including technology transfer to Taiwan.

Taiwan Aerospace, founded in 1991 and 29 percent state-owned, has had trouble raising funds for the venture because most of its private shareholders have yet to pay for their committed capital shares.

Vice Economics Minister Yang Shih-chien said other foreign companies would be encouraged to join in developing of the RJX.

Dispute Over Farm Pact Divides Kohl's Coalition

Agence France-Press

BONN — A growing dispute over whether to renegotiate an outline U.S.-European Community farm trade deal, billed as the keystone to an eventual world trade accord, is dividing Germany's governing coalition.

Chancellor Helmut Kohl on Sunday stood by remarks following a meeting with Prime Minister Edouard Balladur of France that Germany had "problems" with certain points of the agreement, despite criticism Saturday from his Free Democrat coalition partners.

In an interview in the weekly newspaper Welt am Sonntag, Mr. Kohl restated his position, saying he would be carefully examining Mr. Balladur's suggestions.

"We want to find a balanced compromise in all the sectors of the GATT negotiations," the German leader said. "A position of all or nothing will not get us anywhere."

Mr. Kohl's statement in Bonn on Thursday had appeared to take some government members by surprise.

Foreign Minister Klaus Kinkel, whose FDP has bitterly attacked French intransigence over the stalled GATT world trade talks, said the so-called Blair House farm agreement should not be undone.

Mr. Kinkel said he understood French fears and recognized that an agreement had to be found that suited everyone, but added: "We have no desire just to give in unilaterally to French concerns."

In Welt am Sonntag, Otto Lamsdorff, a former FDP leader, said Sunday that Mr. Kohl's statement "raised alarming questions for the whole world."

On Friday, Agriculture Minister Jochen Borchert, a Kohl loyalist, told German radio that the European Community had to verify that the Blair House accord was compatible with the Community's Common Agricultural Policy.

"If not, we will certainly have to talk about it all over again," he said, appearing to echo French concerns that the Blair House deal breached the CAP.

In France, Bonn's new flexibility was welcomed at a time of mounting discontent among farmers and of strains in the Franco-German relationship.

Hong Kong Notebook

Singing in the Rain On the Stock Market

It is raining on the Hong Kong stock market. Some blue-chip companies have reported disappointing six-month earnings, the local property market is overheating and no one knows when China's runaway economy will be reined in. Further, London and Beijing have yet to settle their differences over the colony's future, and Hong Kong's two largest trading partners, China and the United States, are arguing over weapons sales, trade and human rights.

So why is the stock market's key Hang Seng index threatening record highs? "It's very strange," said Clive Weedon, at Nomura Research Institute, of a surge of buying last week that left the market within 3 percent of its all-time high, achieved on Aug. 19. "There are quite a few uncertainties hanging over this market," said Mr. Weedon. "I would be cautious in the near term."

While local investors familiar with the market's volatility have been sitting tight through a quiet August, it appears foreign buyers have been buying big into blue chips like Hong Kong Telecom and HSBC Holdings PLC, parent of Hongkong & Shanghai Bank.

"Long bond yields are coming down and there is a lot of international money that needs to find a place to go," said Samson Wong, head of research at Sassoon Securities Ltd. "The impact of slowdown in China will not be felt for at least three months," said Mr. Wong of a wide-ranging program by Beijing to cool its economy. "We're still forecasting the Hang Seng to be at 7,800 to 8,000 at the end of the year, which would put the market on a price/earnings ratio of 13."

Despite China's current woes, investors who take long-term views still see great potential in China's fundamentals and in turn Hong Kong companies profiting from the boom to the south. "They look at it this way," said Bill Eberworth, managing director of Fidelity Investments Management in Hong Kong. "China has 1.2 billion people who will work for six days a week for 500 yuan (\$86.50) a month. It looks like a good bet."

Vice Cruises Under Threat

A recent fire aboard the New Orient Princess, a ship plying the "vice voyages to nowhere" route out of Hong Kong, has provided a silver lining for at least one local company, Shun Tak Holdings. Gambling outside the Royal Hong Kong Jockey Club and the stock market is forbidden, but authorities are powerless to control activities on ships that regularly sail into international waters for fun and games at night.

But after fire gutted the New Orient Princess, Hong Kong authorities have pledged to bring in legislation to ban future excursions. Punters still determined to gamble and breathe the sea air have an alternative, though; they can take one of Shun Tak's hydrofoils to Macau, the Portuguese colony where gambling is legal and Shun Tak also has stakes in several hotels with casinos.

China's Vanishing Reserves

Fright, incredulity and then denial greeted reports in a local newspaper, the Sunday Morning Post, that China was missing \$28 billion and that several dozen bankers had vanished after siphoning the cash out of the country's chaotic banking system.

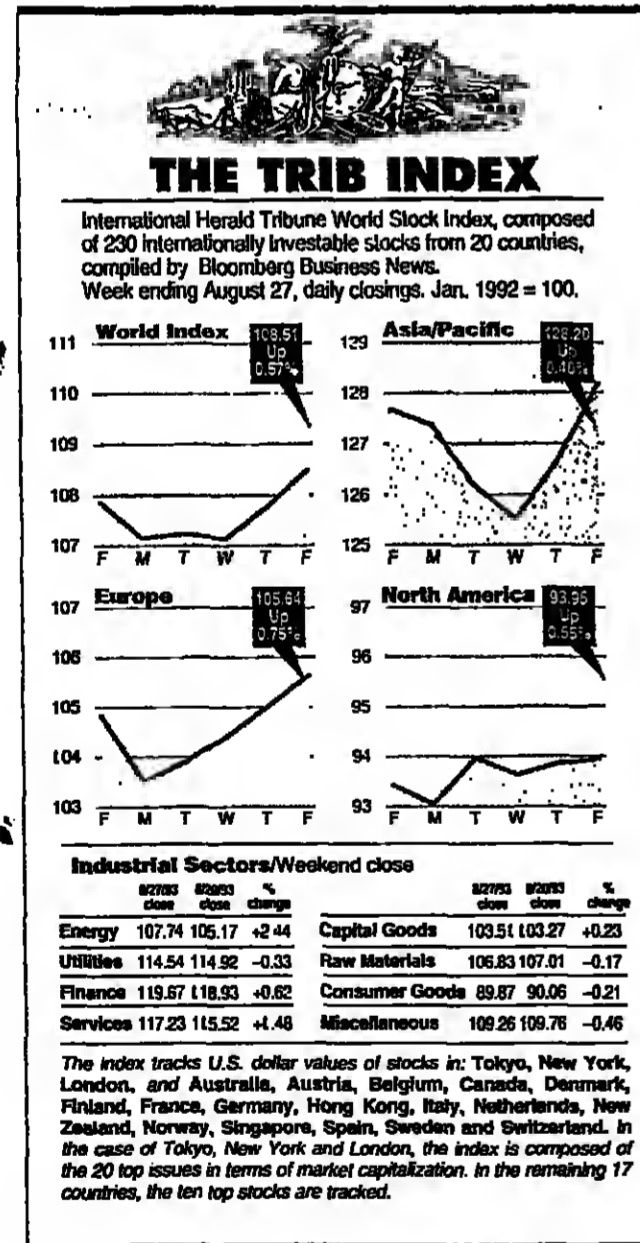
When the People's Bank of China got around to commenting on the article, it called it "sheer fabrication."

Hong Kong, which has seen a wave of Chinese money help push its real estate and stock markets to giddy heights, responded with a one-day stock market sell-off the day after the report was published. Few mainland bankers have been spotted in Hong Kong with their pockets bulging, but some analysts say China's coffers are emptying rapidly and Beijing may be forced to impose harsh measures to protect its foreign reserves, which stood at \$18.8 billion at the end of June.

"Before the fraud, or if the actual numbers are inaccurate or exaggerated, then China may have enough foreign exchange reserves to cover 10 weeks of imports," said Andrew Hunt, an economist with Thornton Management. "Whichever numbers are true, China is headed for a balance of payments crisis within the next six to nine months."

Mr. Hunt estimated China's trade deficit as \$1 billion a month.

Kevin Murphy



CURRENCY RATES

Cross Rates		Aug. 27	
Currency	Par \$	Current	Change
Argentine peso	8390	12425	-24.25
Australian \$	1.3011	1.2815	+0.0196
British pound	1.7272	1.6844	+0.0428
Canadian dollar	0.7087	0.7087	0.0000
French franc	6.5596	6.5596	0.0000
German mark	1.9364	1.9364	0.0000
Italian lira	2036.27	2036.27	0.0000
Japanese yen	109.34	109.34	0.0000
Spanish peseta	166.64	166.64	0.0000
Swiss franc	1.4803	1.4803	0.0000
U.S. dollar	1.0000	1.0000	0.0000

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London. Tel: 322 40 00. Prices may vary according to market conditions and other factors. August 27

Dollar Straights

Table of Dollar Straights with columns for Issuer, Coupon, Maturity, Price, and Yield.

Governments / Supranationals

Table of Government and Supranational bonds with columns for Issuer, Coupon, Maturity, Price, and Yield.

Dollar Zeros

Table of Dollar Zero coupon bonds with columns for Issuer, Maturity, Price, and Yield.

Banks & Finance

Table of Bank and Finance bonds with columns for Issuer, Coupon, Maturity, Price, and Yield.

Global Corporates

Table of Global Corporate bonds with columns for Issuer, Coupon, Maturity, Price, and Yield.

Ecus

Table of Euro currency bonds with columns for Issuer, Coupon, Maturity, Price, and Yield.

Yen

Table of Japanese Yen bonds with columns for Issuer, Coupon, Maturity, Price, and Yield.

Pounds

Table of British Pound bonds with columns for Issuer, Coupon, Maturity, Price, and Yield.

Deutsche Marks

Table of German Deutsche Mark bonds with columns for Issuer, Coupon, Maturity, Price, and Yield.

NEW YORK (AP) -

Financial news text starting with 'NEW YORK (AP) -' and 'The following table...'.

MUTUAL FUNDS

Figures as of close of trading Friday, August 27.

Table of Mutual Fund prices and performance data.

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International

New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Includes Floating Rate Notes and Fixed-Coupons.

So Rates Are Lower: So What?

By Steven Pearlstein, Washington Post Service

WASHINGTON — Now that U.S. interest rates have dropped to their lowest point in nearly 25 years, whatever happened to that surge in the economy promised by the central bank, the administration and private economists?

"It's been a puzzle," concedes N. Gregory Minkiw, a Harvard University economist.

Explanations run from patronizing ("These things take time") to finger-pointing ("The European recession is dragging us down") to Mr. Minkiw's explanation, that after adjusting for inflation, long-term interest rates are still a percentage point above their historical average.

Confronted with the reality of economic growth stuck around 2 percent, U.S. officials now admit privately that they may have oversold the salutary effects of low interest rates.

A number of economists say that shifts in the underlying structure of the economy have made it less sensitive to interest-rate changes. "We're getting much less bang for the buck from lower interest rates than we used to," observed Lawrence Chimerine, adviser to the forecasters at DRI/McGraw-Hill.

Low rates are supposed to stimulate economic activity by putting money in consumers' pockets as a result of reduced monthly payments for such things as home mortgages and auto loans. But increasingly, what is gained by those borrowers is lost by millions of Americans who are savers, and who rely on interest from bonds and certificates of deposit.

A recent study by A. Gary Shilling & Co. found that by the end of 1992, American households for the first time took in more cash from interest income than they paid out in interest expenses.

Low rates are also supposed to spur businesses to expand and buy new equipment. On the surface, spending seems to have responded. Capital spending by businesses has jumped 10 percent this year.

Long Bond Sets Its Sights on 6% Slow Economy and Capital Flows Push Yield Down

NEW YORK — Almost unimaginable just a month ago, a 6 percent yield on the 30-year Treasury bond may become a reality this week as analysts expect further capital flows from related debt markets to set the benchmark bond to new record highs.

"There is a very real possibility that bonds could hit 6 percent or at least come very, very close to that level next week," James Hale, economist at MMS International, said Friday. "The bond rally is awfully fast, it is feeding on itself."

The 30-year bond yield dropped a stunning 90 basis points in just 3 months, going from 7 percent in late May to a record low of 6.086 percent on Thursday. The last 50 basis points of the rally were covered in just four weeks in August.

In late trading Friday, the 30-year yield was quoted at 6.126 percent, the result of some profit-taking. That was still more than 9 basis points below the closing level of 6.22 percent the previous week.

In Salomon Brothers' weekly Comments on Credit, the firm's chief economist, John Lipky, and a colleague, Susan Hering, said liquidity and fundamentals would drive yields lower.

"Demand for seemingly scarce bonds remains strong as investors extend out the yield curve in search of greater yield and duration," they said.

"Economic data will likely sustain their recent ambiguous tone, eliminating one potential obstacle to a continued rally," they said.

Among data for release this week, the Salomon economists said, second-quarter gross domestic product most likely will be revised downward, the index of leading indicators will fall and the National Association of Purchasing Management's index will probably extend its fall away below the 50-percent mark that delineates an expanding manufacturing sector.

U.S. CREDIT MARKETS

end of the week "probably will not dislodge the widely held perception that economic growth will remain sluggish, keeping inflation tame," they added.

David Muzro, chief U.S. economist at High Frequency Economics, said he expected sharp decline from July's 162,000 payroll gains. He noted that the average pace of job creation this year is consistent with a 2.75 percent increase in GDP, far above the actual level of the first and second quarters of the year.

An anemic August payroll report may even revive speculation the Federal Reserve Board will have to reduce interest rates after a year of stable monetary policy and the introduction of a tightening bias, Mr. Muzro said.

Mr. Hale at MMS pointed out that "most of this recent rally has been based on technical factors such as inflows from other markets into Treasuries, instead of fundamental data. Capital flows out of the mortgage-backed market and from heavy municipal defeasances are

what the next rally will really concentrate on." Because many long-term U.S. interest rates are based on the 10-year note or the 30-year bond, spectacular gains to the credit market regularly trigger heavy refinancing in the mortgage-backed or municipal sectors. These markets, in turn, park the proceeds of the early debt redemptions into Treasuries, where they help extend the advances.

Similar capital flows led to the bonds' first major rally this year when the benchmark yield hit a then-record low of 6.647 percent on March 8. The drawback of such a rally is that, once the capital flows dwindle, bonds must consolidate off their record levels, as they did between early March and mid-June.

Another technical factor should support intermediate and long-term Treasuries: The Federal Reserve Bank of New York is expected to permanently add reserves to the banking system next week by directly buying notes or bonds from dealers. This operation, known as a coupon pass, is customary around Labor Day when the demand for cash surges, and it brings a large one-time buyer to the market.

Last week, the 10-year Treasury note ended yielding 5.48 percent, down from 5.61 percent the previous week.

The new two-year Treasury note ended yielding 3.88 percent, compared with 3.91 percent for the old one the previous week. The six-month Treasury bills were discounted at a rate of 3.12 percent to yield 3.07 percent, against a 3.08 percent yield the week before.

The Week Ahead: World Economic Calendar, Aug. 30 - Sept. 3

Table with columns: Date, Event, Location. Lists economic events for Asia-Pacific, Europe, and The Americas.

Sept. 2 London: Britain reports August official reserves. Forecast: \$100 million, after \$399 million in July. Boom Cabinet discusses law to stop tax abuse and the government's planned law to improve the attractiveness of Germany as a location for investment.

HONDA: Accord Takes on Taurus

Continued from Page 7. Ford over from previous models or borrowed from other Hondas, thereby saving engineering costs. "Some people in Detroit may be surprised that Honda has managed, through intelligent design, to blunt much of the yen's appreciation," Mr. Paul said.

Euromarts At a Glance

Table with columns: Country, Market, Case, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists market data for various European countries.

Libor Rates

Table with columns: Country, 1-month, 3-month, 6-month, 12-month. Lists Libor rates for U.S., Canada, France, Germany, Italy, Japan, UK.

Advertisement for THE SHEPHERDS HOTEL AND CASINO. Includes text: INVITATION FOR BIDS, THE SHEPHERDS HOTEL AND CASINO, OWNED BY THE EGYPTIAN HOTELS COMPANY. Also includes a table of Eurobond Yields and Libor Rates.

TRADE: Germany Faces Pressure. RATES: Big Investors Expect European Yields to Fall

Continued from Page 7. Franco-German alliance that is the core of EC unity and Germany's trans-Atlantic ties and dependence on free trade. Although the officials said they expect Mr. Kohl to end their debate Blair House in the end, they place to lobby Germany and its EC partners heavily this week, saying the Europeans must support the pact or risk scuttling GATT.

A setback for Blair House also would be a severe setback for EC unity. It would undermine the authority of the EC Commission, which negotiated the pact and continues to support it, as well as infuriate EC supporters of the deal, particularly Britain and the Netherlands. "Our commitment to the Blair House accord is firm and we wouldn't want to see anyone deviate from that," a spokesman for the British Foreign Ministry said.

for reaching a single currency, which calls for Community members to bring inflation and government deficits into line at low levels. The hope is that an eventual economic recovery will make the deficit targets, which no member but Luxembourg is near today, possible to achieve later this decade. In the meantime, leaders are planning a special EC summit meeting at the end of October to affirm their currency plans and lay the groundwork for an institution that will eventually become a European central bank.

But opposition to the Maastricht formula continues to grow because the need to cut deficits is intensifying Europe's economic pain at a time of record unemployment.

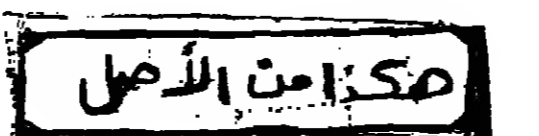
It has contributed to possibly the strongest recession we have had since the Great Depression. One EC official said ruefully. The best way to revive hopes of a single currency is through growth, which can be achieved only if France takes advantage of the currency grid's widened trading margins and cuts interest rates aggressively, this official said.

Continued from Page 7. Mr. Feiser said. Eventually those countries will assert their freedom, he added. Many economists outside the halls of government power agree. Last week, 14 economists from Belgium's top economics school published an open letter to Prime Minister Jean-Luc Dehaene saying Belgium's policy of shadowing the mark should be scrapped. They said the government's refusal to ease credit was hindering efforts to reduce unemployment and spur economic growth.

DELORS: Delors Calls for Creation of New Council. The council "would recommend policies in cut imbalances affecting parts of the world economy and respond to challenges crucial for the progress or survival of humanity," he said.

Last Week's Markets. All figures are as of close of trading Friday. Stock indexes: United States, Dow Jones, S&P 500, NYSE Comp. Money Rates: United States, Discount rate, Prime rate, Federal funds rate, etc.

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MUTUAL FUNDS

Continued

Table of mutual fund performance data including fund names, share classes, and various performance metrics.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, August 27.

Main table of OTC Consolidated trading for week ended Friday, August 27, listing various securities and their trading volumes.



...NATIONAL

MONDAY SPORTS TENNIS

U.S. Open Puts Its Own Peculiar Spin on Tennis

By Neil Amdur

NEW YORK — On the eve of the 25th U.S. Open tennis championships, Arthur Ashe was being honored at the National Tennis Center on Sunday and again Sunday night with a benefit for the Safe Passage Foundation.

As the Open's first men's singles champion, Ashe established the spirit that has carried this tournament from the clubby confines in Forest Hills to the corporate carnival in Flushing Meadows.

Vantage Point

Like it or loathe it, the Open dances to its own music as a sports event. It plays day, night and weekends, and is a survival test for players, officials, fans and yes, even the news media.

The Open is not the world's most prestigious tournament (Wimbledon wins this honor). Nor is it the most well-run or respected of the Grand Slams. In fact, the Open's biggest lure is its brazen unpredictability and penchant for excess — from the noise of crowds, trains and planes to Super Saturday, when the men's semifinals and women's final converge in a staged-for-television orgy.

courts and continental charm. Wimbledon has tradition, and Melbourne is the sport's newest facility. But year after year, on and off the court, the Open provides the most intriguing plot lines.

The women's revolution in tennis — and perhaps in sports — began at the Open in 1970. The breakers and night play were legitimized at the Open, although traditionalists still tell you that night programs still belong on the moon.

The Open has been the scene of political deflections and demonstrations, a spectator shot by a stray bullet, the "spaghetti" racket, fights in the stands, Renee Richards and celebrity overkill, American-style, that rivals the royals in England.

Through all these bizarre side-shows, tennis at the Open has achieved its own level of greatness, nothing to rival the majesty of Borg-McEnroe at Wimbledon, but dramatic enough: fifth-set tie breakers (an Open trademark), Grand Slam achievements by Rod Laver, Margaret Court and Steffi Graf, and of course, the 20-year Jimmy Connors saga as teenage rebel, redoubtable champion and ageless hero.

Why then is the Open so unpopular? European pros accustomed to being fawned over fans and the media perceive a trip to New York City, and the ride to Queens, as a descent into hell.

But players cannot run and hide at the Open: it is the only Grand Slam event where the locker rooms

have remained open and accessible to the news media, a policy that has withstood strong challenges from the various players associations.

Pros complain about overcrowded locker rooms, spectator movement between points, smoke from concession stands and scheduling that caters to women (the men say), homeboys and a few select seeded players.

But the Open is not meant to be quaint: Hilton Head and Monte Carlo are quaint. The Open is big, bold and raw, the last strokes of summer. You do not win the Open by waiting for an opponent to choke. You take the Open by the throat, as McEnroe did with Borg, as Connors did with Ivan Lendl in 1982 and 1983.

It took Martina Navratilova a long time to learn to love the Open, but now she does. So do Europeans like Mats Wilander, Boris Becker and, more recently, Stefan Edberg.

When the Open first arrived at Forest Hills, sellout crowds were the exception rather than the rule. This year, in an attempt to placate fans who may have been shut out from buying tickets, the U.S. Tennis Association will sell 500 grounds passes a day for the first nine days (\$17 per person for the first five days, \$25 for the next four days) at the tennis center.

The best solution, as the USTA looks to the next 25 years and an expanded facility, is to create a lottery that would set aside a specific number of tickets to the public for each session of the tournament.

things: an economic and political resource for the city, a lifeline for USTA sectional associations who need the tournament's revenue, a corporate vehicle for the USTA and its sponsors, and the promised land for American players.

The Open cannot possibly satisfy the faithful. Yet it has grown in spite of shortcomings, just as the New York City Marathon increased from a largely ignored race of a few thousand serious runners through Central Park to a five-hour communion involving millions of participants, spectators and TV viewers.

IN THE NEXT 25 years, the character of the Open is certain to change even more. This year, electronic lines were seriously considered. Who knows what lies beyond? Computerized balls?

Some of the enthusiasm from this year's anniversary celebration is driven by the absence of Ashe and another resourceful Southerner who died in February, Slew Hester, the USTA president who orchestrated the move to Flushing Meadows.

But if you feel depressed by the heat, a seeded player who tanked, night matches canceled by rain, over-priced T-shirts or clammy sandwiches, hang around until play ends each late afternoon.

That's when a new gig, "Music Under New York," will cut loose daily at the Open with blues, jazz, funk, bluesgrass, salsa or other souped-up "You can't get your money back, but at least you'll leave the Open with a smile."

Too Many Bugs in Those Bleeping Electronic Lines

New York Times Service

NEW YORK — The TEL, the tennis electronic line, will not be used during the U.S. Open.

"Based on the number of matches we were able to run TEL and the extensive data we did on it, we encountered the normal start-up problems associated with TEL," tournament director Steve DeVoe said Friday, after three days of problems we had not seen before.

The line-calling system is an electronic device that senses whether or not a ball is in or out. With wires buried under the lines painted on the court, the system can determine if a ball is in or out by a millimeter and was responsible for the call by sounding a loud beep. The line judge could not overrule its call.

But several malfunctions occurred during this week's qualifying. On Wednesday, less than half the matches that used the electronic judging made it through a whole match. Thursday, half of the matches had to discontinue its use. By Friday, officials started cutting back on it, although players like Mary Pierce were still getting educated on the system.

What shut down the experiment was the new problems, most of them without answers or solutions. DeVoe said there was one discovery, however. K-Swiss, a brand of tennis shoe, would sometimes short-circuit the electronic beep.

"The only thing we identified was a woman's shoe, with a particular pattern of metal eyelets that would set TEL off," DeVoe said.

SCOREBOARD

Major League Standings

Table with columns for American League (East and West Divisions) and National League (East and West Divisions), showing team names, wins, losses, and percentages.

Saturday's Line Scores

Table showing line scores for various tennis matches, including player names and scores.

Japanese Leagues

Table showing Japanese League results, including player names and scores.

Belgian Grand Prix

Table showing Belgian Grand Prix results, including player names and scores.

Autos Racing

Table showing Autos Racing results, including driver names and race times.

Canadian League

Table showing Canadian League results, including player names and scores.

Swedish Leagues

Table showing Swedish League results, including player names and scores.

Swiss Leagues

Table showing Swiss League results, including player names and scores.

Friday's Line Scores

Table showing Friday's line scores for various tennis matches.

Swedish Leagues

Table showing Swedish League results.

Swiss Leagues

Table showing Swiss League results.

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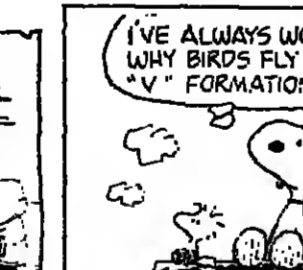
Swedish Leagues

Table showing Swedish League results.

DENNIS THE MENACE



PEANUTS



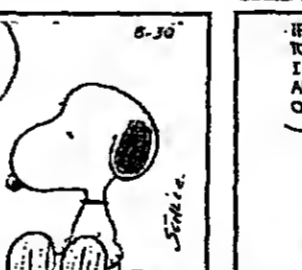
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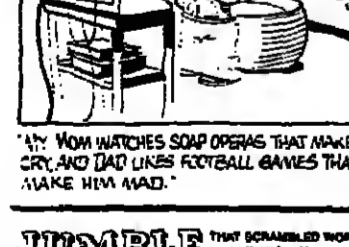
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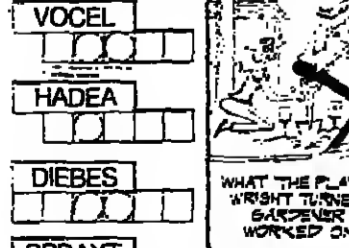
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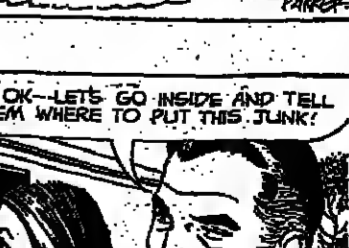
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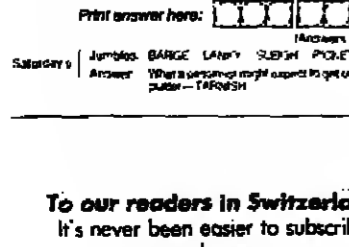
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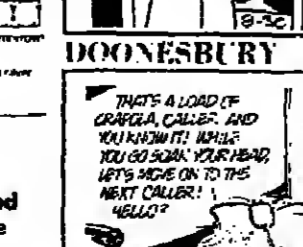
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MONDAY SPORTS BASEBALL

In Belgian Prix, Hill Gets 2d Victory As Prost Nears Title

The Associated Press
SPA-FRANCORCHAMPS, Belgium—Damon Hill of Britain won his second Formula One race in a row on Sunday while his Williams-Renault teammate Alain Prost of France took a big step toward his fourth world title at the Belgian Grand Prix.

Hill held off Germany's Michael Schumacher in a closely fought race and, with Prost finishing third, he helped clinch the constructors' world title for Williams-Renault with four races to spare.

"Two excellent reasons to celebrate," Hill said.

Prost had another reason, since he extended his lead in the world standings over the Brazilian Ayrton Senna, who finished fourth on Sunday. The French veteran is now within one victory of his first world title since 1989.

"The target must be to get the title at Monza," he said of the Italian Grand Prix on Sept. 12.

Hill, meanwhile, savored the present.

He withstood a late challenge from Schumacher in his Benetton-Ford, edging the German by 3.668 seconds.

"It is excellent to win one Grand Prix," he said, referring to his first victory in Hungary two weeks ago. "To win two is fantastic."

Hill covered the 306.856 kilometers (190.671 miles) in one hour, 24:32.124 minutes and was challenged up to the checkered flag by Schumacher after taking the lead from Prost in the 30th of 44 laps.

Prost had taken the pole position

ahead of Hill with a lap record on the 6.744-kilometer circuit and kept ahead of his teammate until he was delayed by a pit stop. When he came out of the pitline, Hill blasted past him.

"I thought 'great' and went for it," said Hill.

"Once I was in front, I drove hard all the way to the finish," he added.

Prost was thinking about his world championship lead after Hill went ahead and, with a drive of about a minute over Senna, drove controlled for the rest of the race.

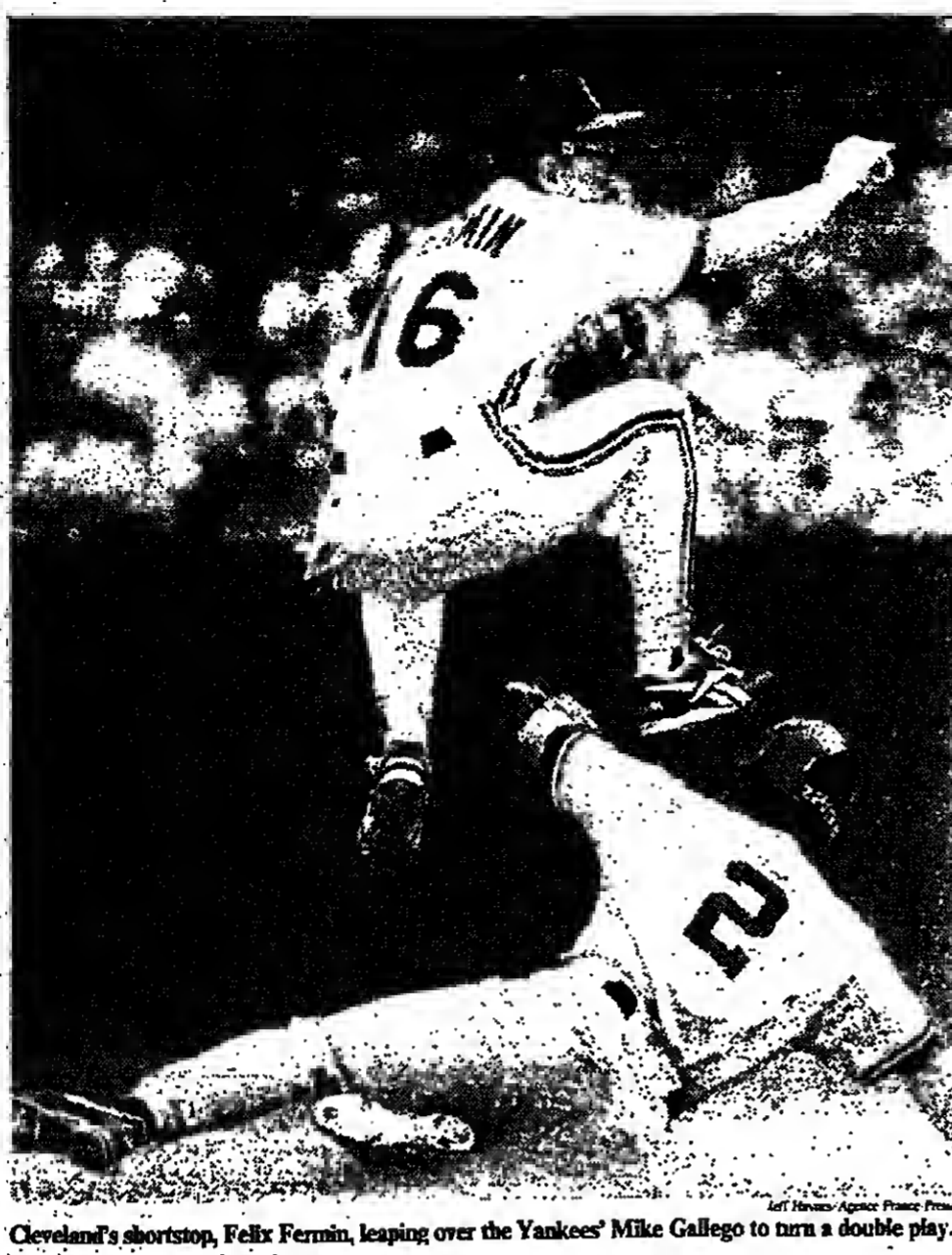
Prost now has 81 points in the overall standings with Senna in second place with 53. Hill closed in on the Brazilian and has 48 points, while Schumacher has 42.

In the constructor's standings, Williams-Renault has an unbeatable lead of 129 points in 12 races to clinch its second straight title.

Following a disastrous start two weeks ago in Hungary, Prost capitalized on his pole position Sunday and went into the opening hairpin with a clear lead over Senna, who had a scorching opening from the fifth place on the grid.

In the second lap, the Williams-Renault of Hill illustrated the car's early superiority when he swept past Senna to take second place behind Prost.

Hill took the lead after Prost had a second tire change. On a long straight, Schumacher also blasted past the Frenchman, sending a white plume into his face when he broke late to get first into a corner.



Cleveland's shortstop, Felix Fermin, leaping over the Yankees' Mike Gallego to turn a double play.

Hot Bats Lift Atlanta To 8-2 Rout of Chicago

The Associated Press
ATLANTA—David Justice hit a two-run homer—his fifth in five games—and Ron Gant drove in three runs with a pair of singles Sunday as the Atlanta Braves kept the pressure on the NL West-leading San Francisco Giants with an 8-2 victory over the Chicago Cubs.

The victory was Atlanta's seventh in eight games and 16th in 19.

Tom Glavine (16-5) pitched seven innings for the win, giving up seven hits, five walks and three strikeouts.

Atlanta, at home, broke open a scoreless game in the fourth off Greg Hibbard with four runs, keyed by Gant's two-run single and Justice's two-run homer, his 34th.

The Braves added three runs in the fifth on Jeff Blausen's third hit—an RBI triple—Gant's run-scoring single and an error by right fielder Glennallen Hill.

Expos 3, Astros 2: Marquis Grissom hit a three-run homer and Ken Hill tossed five-hit ball for seven innings as Montreal beat Houston in Montreal to sweep their three-game series. Montreal has won four straight games, and handed the Astros their fifth loss in a row.

Hill struck out five and walked three for only his second victory in 13 starts since May 26. The right-hander, who was slow to recover from a strained groin injury, had lost his two previous starts and had won since July 22.

Phillies 12, Reds 0: In Philadelphia, Danny Jackson pitched seven strong innings and Mickey Morandini and Wes Chamberlain each drove in four runs as the Phillies

used a 17-hit attack to beat Cincinnati.

Jackson, who has not allowed more than two earned runs in his last eight starts, struck out a season-high eight and walked one while allowing only five hits.

Pirates 7, Padres 4: Bob Walk, pitching while he appeals a suspension, stopped his four-game losing streak and San Diego's five-game winning streak as Pittsburgh won in the first game of a doubleheader in Pittsburgh.

Walk allowed four runs on eight hits in six innings, but helped himself by singling in a four-run Pittsburgh fourth inning that was aided by an Andy Ashby wild pitch that set up two runs.

Walk, who has won more than 12 games only once in his 14-year career, was pitching for the first time since being ejected for hitting mound opponent Kevin Gross with a pitch Tuesday in Los Angeles.

In games played Saturday:

Braves 5, Cubs 1: Steve Avery helped Atlanta playing at home, rebounded from a tough loss with a six-hitter for his 15th victory.

Avery, winning for the fourth straight time, walked none and struck out three for his third complete game of the season. He lost a shutout in the ninth inning on Mark Grace's RBI groundout.

Padres 5, Braves 3: In Pittsburgh, Scott Sanders pitched six-hit ball for 9½ innings in his third major league start as San Diego won its fifth straight. Sanders gave up three runs, walked two and struck out six.

Reds 9, Phillies 5: Thomas Howard's three-run homer sparked a five-run sixth inning in Philadelphia as Cincinnati won its third straight game.

Jeff Branson doubled with one out in the sixth and pinch-hitter Jack Daugherty walked against Bobby Thigpen. Howard, acquired from Cleveland on Aug. 20, followed with his second home run since coming to the Reds.

After Jacob Brumfield and Hal Morris singled, Mike Williams relieved and allowed a two-run double to Joe Oliver.

Cardinals 4, Dodgers 3: In Los Angeles, Bob Tewksbury beat the Dodgers for the first time in six lifetime decisions.

Tewksbury had beaten every NL opponent during his career except the Dodgers. He won for the 10th time in 12 decisions, giving up 10 hits in seven innings.

NL ROUNDUP

New York Overcomes 5-Run Deficit to Beat Cleveland, 14-8

The Associated Press
NEW YORK—Paul O'Neill hit a three-run double and the New York Yankees scored six times after a controversial play in the sixth inning Sunday, turning around a lopsided game and beating the Cleveland Indians, 14-8, in Cleveland.

Dion James drove in four runs for the Yankees, who overcame an

Angels 6, Brewers 1: In Milwaukee, Rene Gonzalez doubled twice and drove in two runs Sunday, leading Mark Langston and the California Angels to a 6-1 victory over the Milwaukee Brewers.

Langston allowed one unearned run on five hits over six innings. He struck out seven and walked two. Three relievers blanked the Brewers on two hits the rest of the way.

In games played Saturday:

Mariners 2, Blue Jays 1: Ken Griffey Jr. scored on a wild pitch to cap a two-run rally in the eighth inning that sent the Mariners to another victory over the defending world champion Blue Jays.

Indians 8, Yankees 4: In Cleveland, the Indians pounded Jimmy Key, the American League ERA leader, for six runs and 10 hits, including three homers, in less than four innings.

Key struggled through the shortest and worst start of his season, allowing home runs by Albert Belle, Carlos Berroa and Candy Maldonado and a two-run single to Randy Milligan in 3½ innings. He had given up six runs only once before, in a 10-3 loss to Seattle on July 21.

Red Sox 2, Royals 1: Rob Deer's run-scoring double with two outs in the 11th lifted visiting Boston over Kansas City for its third straight victory.

Mike Greenwell led off the 11th with a double and took third on Andre Dawson's fly ball to the warning track in left field. After Carlos Quintana bounced out to first base, Deer lined a double down the left-field line off reliever Jeff Montgomery.

Rookie Aaron Sele carried a no-hitter into the seventh inning when Mike MacFarlane singled. Wally Joyner tied it 1-1 with a ground single to right.

Angels 6, Brewers 2: In Milwaukee, Chris Turner singled and doubled home his first major-league RBIs and Luis Polonia had four hits as California snapped Milwaukee's seven-game winning streak.

The Angels used a 16-hit attack to end a three-game losing streak.

Turner, whose contract was purchased Friday from Triple-A Vancouver of the Pacific Coast League, singled home California's first run in the second inning off Ricky Bones. He lined a two-out, RBI double in the fourth and scored on

Rod Correia's single to give the Angels a 3-0 lead.

Tigers 5, Athletics 3: Mickey Tettleton and Alan Trammell hit home runs to back eight strong innings from Mike Moore as Detroit won in Oakland. It was the Brewers' seventh straight victory and the A's ninth consecutive loss.

Tettleton hit a solo homer in the ninth off Dennis Eckersley to pass teammate Cecil Fielder and become the first Tiger to reach 30 homers this season.

Rangers 11, Orioles 1: Juan Gonzalez hit three homers in a game for the second time in his career and drove in five runs to lead Texas past visiting Baltimore.

Gonzalez tied Ken Griffey Jr. for the major-league lead with 39 homers. He hit a two-run drive in the first and added a 440-foot solo shot in the third. In the seventh, Gonzalez hit another two-run blast, giving him seven homers this year against Baltimore, tying a club record for most home runs in a season against a team. Gonzalez also hit three home runs on June 7, 1992, against Minnesota.

Dean Palmer and Doug Strange also connected for Texas, which tied a team record with five home runs.

White Sox 4, Twins 1: Rookie Jason Bere pitched eight scoreless innings, limiting Minnesota to four hits and leading the White Sox to victory in Chicago. Bere struck out seven and walked six.

AL ROUNDUP

early 7-1 deficit to gain a split of the four-game series. The 14 runs were a season high.

The game was the Yankees' last ever at Cleveland Stadium, site of many memorable meetings when they and the Indians were both baseball powers in the 1940s and '50s. Joe DiMaggio's 56-game hitting streak in 1941 ended in Cleveland, and the Yankees finished in second place—eight games back—when the Indians won a record 111 games for their last AL pennant in 1954.

The Indians will move to a new ballpark next season.

New York, still trailing 7-4 in the sixth, had runners at first and second with two outs when Wade Boggs hit a grounder to the hole at short. Felix Fermin fielded it and threw to third baseman Alvaro Espinoza, but Espinoza—his back to runner Matt Nokes—did not tag the bag and apparently missed when he waved his glove blindly at Nokes' legs.

The Indians argued, in vain, and the Yankees went on to score six times in the inning on a two-run single by James, a bases-loaded walk to Danny Tartabull and O'Neill's bases-loaded double.

New York made it 13-7 with three more in the seventh on a two-run double by James and an RBI double by Don Mattingly.

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France Sets Crackdown After Paris Soccer Unrest

Compiled by Our Staff From Dispatches
PARIS—The French government appointed a soccer security officer on Sunday to combat escalating stadium violence after six policemen were injured by Paris Saint-Germain fans during a match.

Interior Minister Charles Pasqua said in a statement that he had created the new post "to combat, in cooperation with the French soccer federation, big clubs and other countries already confronted by such violent acts, a new approach to soccer security."

Six policemen were injured trying to break up fighting among about 500 fans at Parc des Princes during a French league match between PSG and Caen on Saturday night, the police said. PSG won the match, which was interrupted for about 20 minutes, 7-0.

PSG fans have been involved in several incidents in the past. In May, after rioting at a game in Marseille, the club stopped organizing travel for fans and selling tickets to known trouble-makers.

"Everything started from a minor incident," said Michel Denisot, PSG's president. "A shoe was thrown on the field. I think as long as a few individuals come to the stadium to cause trouble, there's nothing we can do."

The police said that the violence erupted after officers tried to prevent a fan from entering the field to recover a thrown object. No arrests or injuries among the fans were reported.

"We need to take a new look at the security of sporting events," Pasqua said. "This is indispensable with France having the responsibility of the World Cup in 1998."

(Readers, AP)

SIDELINES

Czech Breaks World Javelin Record
SHEFFIELD, England (AP)—Jan Zeleny broke his world record for the javelin on Sunday with a throw of 95.56 meters at the Sheffield International track meet.

His previous mark, set earlier this year, was 95.54.

Zeleny, from the Czech Republic, broke the record with his third throw. His second was just short of the old mark, a throw of 95.34 meters.

U.K. Promoter Claims Tyson Deal
LONDON (AP)—The British boxing promoter Frank Warren has made a deal for European broadcast rights to any comeback fights by Mike Tyson, according to a report in the newspaper The People. Tyson, serving six years in an Indiana prison on a rape conviction, still has four years remaining on his sentence.

The People said Warren had made the deal with the American promoter Don King. "Tyson will be an enormous box office draw when he returns," Warren said. "We'll have seen nothing like it before in boxing history."

The paper said Warren's plans included a possible £50 million (\$75 million) showdown between the former champion and Lennox Lewis, the reigning WBC champion.

Chang Tops Edberg, to Face Rosset

COMMACK, New York (Reuters)—Fifth seed Michael Chang upset top seed Stefan Edberg and unseeded Brian Rosset beat seventh-seed Goran Ivanisevic, to reach the final of the Wimbledon Tennis Cup.

Chang beat Edberg, 6-1, 6-2, on Sunday. It was the second straight victory for the American over Edberg, who begins defense of his U.S. Open championship on Monday. Chang and Rosset will go into Sunday's final having split their four previous matches. Rosset, who won the Olympic gold medal last year in Barcelona, beat Ivanisevic, 6-3, 6-3.

Ryan Is Out With a Pulled Muscle

ARLINGTON, Texas (AP)—Nolan Ryan, struggling to make it through his 27th and last season in the majors, sprang on the disabled list Saturday for the third time this year by the Texas Rangers.

Ryan, 46, pulled a muscle in his left ribcage during a start in Baltimore on Aug. 21 and had missed one turn in the rotation. He warmed up on the sidelines before Saturday night's game at home against the Orioles, but stopped after five minutes because of discomfort.

League Bans Gooden for 5 Games

NEW YORK (AP)—Pitcher Dwight Gooden of the New York Mets and Bob Walk of Pittsburgh, said Pirates manager Jim Leyland were suspended by the National League for incidents involving his batmen.

The league president, Bill White, on Friday suspended Gooden for five games for hitting Cincinnati's Brian Koelling on Aug. 20 at Shea Stadium. Gooden and Walk, also suspended for five games for hitting Kevin Gross of Los Angeles on Tuesday night, have appealed and will remain active.

Leyland's six-game suspension, for charging the mound after Gross hit Kevin Young on Tuesday at Dodger Stadium, began Friday night.

Langer 5-Shot Victor In German Open Golf

DUSSELDORF—Europe's Ryder Cup golf team that will face the United States next month moved closer to completion at the German Open on Sunday as Bernhard Langer won the title for the fifth time.

While the 36-year-old German charged to a five-shot victory to add to his successes in the U.S. Masters and British PGA events this year, the leading nine who gained automatic team selection remained unchanged after the last tournament in the yearlong qualifying process.

Peter Baker and Sam Torrance of Britain, the two most vulnerable at the start of the week, confirmed their positions, although Torrance's is subject to his recovery from a chest injury.

Baker, who has won two events this year, advanced from ninth to seventh on the Cup table by placing joint second behind Langer and moving above Torrance and another Briton, Mark James. Torrance, who did not play in Dusseldorf, dropped to ninth.

The nine players who win automatic selection to the team are Langer, Constantino Rocca of Italy and Britons Nick Faldo, Colin Montgomerie, Ian Woosnam, Barry Lane, Mark James, Baker and Torrance.

For the Record
 Australian Phil Rogers broke the world 200 meters short-course breaststroke world record Sunday night in Melbourne, winning the race in 2 minutes, 7.80 seconds, 0.13 seconds faster than the record set by Briton Nick Gillingham in 1991. Rogers had set a world short-course record of 59.07 seconds for the 100 meters breaststroke on Friday night.

The championship of the Little League World Series belongs to Long Beach, California, after a 3-2 victory on Saturday over Panama in Williamsport, Pennsylvania. (AP)

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